

Form ADV Part 2A: Firm Brochure



Courtland Partners, Ltd. ("Courtland") is an Ohio limited liability company with its headquarters at 127 Public Square, Suite 5050, Cleveland, OH 44114, telephone (216) 522- 0330, fax (216) 522- 0331, website www.courtland.com and has compiled this brochure on March 25, 2015.

This brochure provides information about the qualifications and business practices of Courtland to act as a fiduciary to institutional investors with respect to their real estate and real asset allocations. If you have any questions about the contents of this brochure, please contact us at (216) 522- 0330 or ajm@courtland.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Courtland also is available on the SEC's website at www.adviserinfo.sec.gov.

Courtland may refer to being a "registered investment adviser" or describe itself as being "registered," however that statement does not imply a certain level of skill or training and such statement should be used accordingly. References to "Items" herein correspond to disclosures required by Part 2A of the SEC brochure rule pursuant to which this brochure has been prepared.

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Advisory Business

Item 4. A.

Courtland is an institutional real estate and infrastructure consulting services firm. At both the portfolio and property levels, we help pension plan sponsors, corporations, financial institutions, and other institutional investors make informed, timely decisions about real estate, infrastructure, and real estate-related holdings.

We provide real estate related consulting services (including real estate, infrastructure, timber, and agriculture) primarily to tax-exempt institutional investors, including public, corporate, and Taft-Hartley pension plans, as well as foundations, endowments, and sovereign wealth funds. We provide our services on a retainer, project, or hourly basis. Importantly, in rendering investment advice to clients, we act as a fiduciary and will carry out our responsibilities and duties in full accordance with the applicable provisions of the Employee Retirement Income Security Act ("ERISA").

We have been in business since 1995. We are registered as an investment advisor with the United States Securities and Exchange Commission under the Investment Advisors Act of 1940. We are organized as an Ohio limited liability company, and are 100% owned, directly or indirectly by two active principals, Michael Humphrey, Managing Principal and Steven Novick, Principal/Chief Operating Officer.

Item 4. B.

We have offered institutional real estate related investment consulting services to clients since our inception in 1995 and have expanded our consulting services to cover infrastructure, timber, and agriculture. We have provided institutional clients with a full range of consulting services as set out below. We provide real estate operating company evaluations, performance measurement and analysis, portfolio monitoring, transaction management, portfolio reporting services, manager/partner selection, investment evaluation, and manager/partner fee structuring. We have advised and assisted public, corporate, and Taft-Hartley pension plans, as well as foundations, endowments, and sovereign wealth funds in real asset investments. Our clients' investment strategies include core, value-added, and opportunistic real estate in domestic and international markets across traditional and alternative property types. Our services have included traditional investment consulting and advisory services that complement comprehensive portfolio monitoring and reporting services.

Our services extend to all four quadrants of the real estate investment class, namely public equity, public debt, private equity, and private debt. Our clients invest in these quadrants either directly (i.e., through individually managed or separate accounts) or indirectly (i.e., through commingled or pooled funds).

Our services are limited to real estate and real estate related consulting and discretionary investment management as described above, and we do not provide investment advice regarding any other types or forms of investments.

Consulting Services: Courtland engages in the following activities in a typical full service retainer consulting relationship, but has also completed many of the activities as individual special projects:

Strategic Planning and Policy Review	Provide clients with independent and objective advice related to portfolio-level strategies. Establish and refine real estate portfolio allocations, investment goals, objectives, and procedures. Review and make appropriate recommendations, supported by appropriate research and investigation, on strategy relative to issues such as investment mix and risk management.
Investment Analysis & Due Diligence	Assist clients, as requested, with respect to evaluating investments, which may require a written recommendation as to the course of action. Assist clients with respect to specific investment opportunities. Provide clients and any investment committees with written recommendations, supported by appropriate research and investigation, concerning new and existing investments.
Reporting and Research	Assist clients in developing appropriate benchmarks. Provide within 90 days after quarter-end a customized performance report that includes return information, benchmark analyses, peer group comparisons, valuation information, and significant activity on a portfolio- and property-level. Provide an annual written report covering the real estate and capital markets and investment strategies. Produce and present as requested written research studies or investment seminars.
Portfolio Evaluation and Management	Evaluate reports provided by real estate management firms; exhibit intimate familiarity with portfolio risk/return factors. Ongoing analysis of managers, pooled funds, and individual properties. Provide acquisition/disposition analysis as needed. Coordinate and oversee external valuation process and property management function. Provide written evaluations of annual manager business plans. Conduct real estate manager/pooled fund searches, as needed.
Meeting Attendance	Meet with the board members and investment management staff of clients, as requested, to present performance information and to address material portfolio issues. Attendance at partnership/manager meetings, as required.

Investment Management: We also provide qualified professional asset manager ("QPAM") real estate advisory services to ERISA-governed pension plans. Clients may impose restrictions on the types of investments to which Courtland may allocate assets.

Benchmark, Product/Manager Performance, and Offering Database: We maintain and continue to develop real estate investment databases that track investment returns, advisor capabilities, and other real estate and capital market information. Our manager databases currently generate quarterly information requests to public and private equity real estate managers and contain detailed information on those firms and their products. These databases provide a tool for conducting manager and pooled fund searches, and for identifying new investment opportunities and programs. We also can identify and design peer group comparisons (e.g., open-end fund benchmarks).

We maintain three proprietary databases internally that include both public and private offerings: (1) the Courtland Partners Index ("CPI"), (2) the Courtland manager/product database, and (3) the Courtland Investment Offerings database.

- **CPI and Performance Measurement System.** The CPI is a self-administered, proprietary database comprised of client investments which provides both time-weighted and dollar-weighted gross and net performance returns calculated on a quarterly basis. The CPI is updated quarterly with return information from our client investments. These returns are also broken out by risk/return (e.g., core, value, and opportunistic), which facilitate comparison to client portfolio investments by risk/return level. The property type and regional composition is also available for comparison purposes. This information can also be used to develop investment and portfolio benchmarks and comparisons to other third-party benchmarks. It contains a large number of active investments of pooled funds, separate accounts, direct investments, and real estate securities in which public and ERISA pension funds, endowments and/or foundations currently have investments.
- **Courtland Manager/Product Database.** Our manager/product database has been developed and maintained by the firm since inception. It includes manager libraries, which include Request-For-Proposal responses, and other manager information in addition to due diligence, return performance, and other relevant market information. This database includes historical reports, marketing presentations, offering memorandums, subscription documents, and market data.
- **Courtland Online Current Offerings Database.** To assist in deal tracking, we maintain a Fund Offerings Database online, which is linked to our website (www.courtland.com/FundOfferingsDatabase). This database includes a substantial amount of current memoranda, as well as past information relating to potential client investments. In addition, we provide clients with electronic access to manager product questionnaires, including: historical returns, investment terms, property types, regional diversification, and other information. We regularly update the offerings library and database as we are constantly made aware of new products on the market by our regular meetings with managers and other industry contacts.

Item 4. C.

At the inception of each client relationship, we conduct an initial review and evaluation of a client's real estate holdings at both the investment- and portfolio-level. The investment-level analysis includes: (i) risk management characteristics such as property type, geographic and economic diversification, investment structure, investment size, and life cycle, (ii) performance measurement and attribution analysis, (iii) exit strategies and hold/sell analyses, (iv) manager profiles, and (v) management fee analyses.

Based on our findings and conclusions, we work with clients in developing and/or revising strategic and investment plans to ensure that each client's policy statement accurately reflect a client's risk/return profile. On at least an annual basis, we review portfolio and investment objectives and strategies with our clients.

We design customized performance reports that fit each client's needs. We provide clients with performance reports analyzing their real estate portfolios on a quarterly basis, typically within 90 days of quarter-end.

Item 4. E.

As of the end of the fourth quarter of 2014 we were advising on approximately \$1,218,720,000 of client assets on a discretionary basis, and advising on approximately \$44,607,585,000 of client assets on a non-discretionary basis.

Fees and Compensation

Item 5. A.

Fee arrangements are negotiated individually with each client and vary depending on the nature and scope of the services to be provided. We do not have a standard fee schedule. Rather, fees are charged on a retainer, transaction, or hourly basis depending on the nature of the engagement.

A typical retainer-based fee for consulting services includes a flat, fixed fee. Retainer agreements also provide for reimbursement or direct payment of expenses (e.g., travel-related items). Retainer-based fees are payable monthly or quarterly in arrears.

Transaction-based fees relate to numerous factors, including the size and complexity of the assignment and the scope of involvement. Fee schedules typically designate reimbursable expense items. Transaction fees generally are billed on a periodic, scheduled basis, or upon completion of the assignment. Fees are generally negotiated based on each specific project assignment on a case-by-case basis depending on the nature of the engagement.

Hourly fees generally range from \$150-250 per hour. Courtland fees typically are exclusive of expenses. Hourly fees are billed quarterly in arrears or upon completion of a project based on an itemized fee statement.

Fee arrangements for QPAM services also are negotiated individually with each client and vary depending on the nature and scope of the services to be provided. We do not have a standard fee schedule for QPAM services. Fees are charged on a retainer, transaction, or hourly basis depending on the nature of the engagement.

We do not enter into investment consulting agreements that expressly provide for fees to be paid from soft dollar payments.

Our investment advisory agreements generally are terminable by either party without penalty upon 30-day advance written notice.

Item 5. B.

We do not deduct fees from client assets. We bill fees to clients on a monthly or quarterly basis.

Item 5. C.

Our fees are in addition to any attorneys, appraisal, custodian or other third party expenses, and transaction costs incurred on various transactions, which must be paid to third parties by the client. We do not receive any portion of such fees or expenses. We do not act as a custodian for securities.

Item 5. D.

Our clients pay for services rendered in arrears.

Performance-Based Fees and Side-By-Side Management

Item 6.

We do not receive any performance-based fees, that is, fees based on a share of capital gains or capital appreciation.

Types of Clients

Item 7.

We provide real asset and real estate related investment services as described above primarily to tax-exempt institutional investors, including public, corporate, and Taft-Hartley pension plans, as well as foundations, endowments, and sovereign wealth funds. We do not have a minimum account size.

Methods of Analysis, Investment Strategies, and Risk of Loss

Item 8. A.

We have experience with every major real estate property type as well as alternative property types, including senior housing, student housing, and self-storage. In addition, we have invested in both equity and debt investments in relation to real estate.

Major risks of real asset investing generally include the following:

Leverage: Most investments will utilize some component of leverage. Leverage can increase the risk of loss if cash flow from investments is not sufficient to meet loan payments.

Occupancy: Leasing and tenant retention are important to creating and maintaining value in a real estate property.

Asset Deterioration: Assets may require a significant amount of capital expenditure for maintenance and repair to continue operation.

We work to identify the unique needs and preferences of each client prior to identifying the appropriate mix of real estate (and other real asset) allocations. Our clients have adopted a number of different risk/return and investment objectives. For example, some investors have a high risk tolerance and return targets. These institutional funds have a more aggressive risk/return profile than do funds with current income strategies. Further, investors may want to increase their overall international investment exposure through real estate, which could be accomplished through public or private investment vehicles. Our recommended allocation will vary depending on that client's unique needs and preferences.

Our due diligence process is a team-based approach. Each proposed transaction is evaluated by a team of our professionals, including at least one member of the investment committee. Our due diligence process with respect to identifying, evaluating, and selecting managers is based on a careful assessment of the plan-specific objectives, the strength of the particular manager and its investment philosophy, and the strength of the manager's strategy and performance relative to that of its peer group.

The initial focus of our review generally is on the strength of the manager and its investment philosophy. The assessment of a manager consists of both objective and subjective elements. Objective criteria include: the organization, personnel (particularly proposed team members), turnover and succession within the organization, research capability, management fees and costs, ability to co-invest, past performance of investments, unique capabilities and particular areas of expertise, ability to source transactions, the investment allocation process, client list and client investment activity (e.g., how many other clients/investors are pursuing similar investment strategies and how much capital remains to be invested).

Subjective evaluation criteria, which are also important to the process, include firm culture, reputation, significant firm developments (i.e. sale, litigation, and merger), the ability to execute a particular strategy, and client service history.

The second step in the review process focuses on the features of the particular manager. Elements of a review typically include:

- Verification. We verify return and performance information provided by the proposed manager with reliable sources independent of the proposed manager, to the extent deemed appropriate.
- References. We contact a manager's client references, as well as known manager clients who are not listed as references. We may also contact former clients of a manager to determine whether there are any areas of dissatisfaction with client service or manager performance.
- Manager Comparisons. We compare managers in a number of areas, including performance, organization, strategy (including particular areas of expertise), conflicts of interest, and fee structures.
- Performance. Performance tends to be the best measure of a manager's past success and of its potential for success in the future. However, not all managers' track records are directly comparable. Therefore, our analysis accounts for differences in style, property selection, and reporting periods to make more meaningful comparisons. In addition, managers with different scopes of services are evaluated differently.
- Organization. Though secondary to performance, the strength of a manager's organization is of prime importance. Turnover and firm structure are particularly critical in the organization's investment decision-making process.
- Strategy. Current strategy, particularly with respect to market cycle developments and anticipated movements, is critical. We also may compare past strategies with past performance as an indicator of the manager's ability to effectively anticipate real estate market movements and pursue a successful strategy.

Investment Committee: Our investment committee is comprised of two firm Principals and two senior management professionals. Upon completion of interviews and final due diligence, a memorandum is prepared and presented to Courtland’s investment committee by a lead consultant who assisted with evaluating the proposed investment. Our investment committee must have a unanimous vote approving the investment, including the vote of the lead consultant making the presentation, prior to recommending it to a client. Insufficient alignment of interests, unverifiable returns, major pending litigation against the manager, and serious organizational issues have caused us to reject certain transactions or proposed relationships.

Item 8. B.

Real estate return targets, and the corresponding risks, depend primarily on prevailing market conditions. The table below outlines some of the historical expected returns for each real estate category. However, these targets may be adjusted depending on property-type and geographic region. Our recommended allocations will vary depending on that client's unique needs and preferences.

Core Real Estate is defined as well-located, high occupancy properties that have low leverage and minimum capital expenditure requirements.

Value-Added Real Estate will have greater vacancy and leverage levels. These properties may be located in secondary or suburban markets and will typically have a component of redevelopment or rehabilitation.

Opportunistic Real Estate is generally characterized by higher vacancy and leverage levels. These properties may have a development component and may be located in higher risk and/or less developed markets.

Real Estate Strategy Categories					
Lower Risk			Higher Risk		
Triple Net Lease	Core	Core Plus	Value	Value Plus	Opportunistic
4%-6% Return	6%-8% Return	8%-12% Return	12%-14% Return	14%-16% Return	16%+ Return

The material risks represented in the above investments are referenced in response to question in Item 8. A.

General Risks of Loss of Investing in Real Estate

Courtland's PMR Database is not a predictor of future results. The performance of the real estate related investments that we recommend or undertake for clients is dependent on future events and is, therefore, inherently uncertain. The respective track records of managed funds and affiliates cannot be relied upon to predict future events due to a variety of factors, including, without limitation, varying business strategies, different local and national economic circumstances, different supply and demand characteristics, varying degrees of competition, and varying circumstances pertaining to the real estate markets.

The use of leverage will expose investors to certain risks. Real estate fund managers, separate account managers, REIT managers, property managers, asset managers, other qualified professional asset managers, and other third parties which Courtland recommends or to which we allocate investment capital (hereinafter a "Manager" or "Managers") will utilize leverage with the goal of enhancing returns. A Manager's failure to obtain leverage at contemplated levels, or to obtain leverage on attractive terms, could have a material adverse effect on investors. Use of leverage will subject investors to risks normally associated with debt financing, including the risk that cash flow will be insufficient to meet required payments of principal and interest, the risk that indebtedness on investments will not be able to be refinanced, or the risk that the terms of such refinancing will not be as favorable as the terms of the existing indebtedness. Managers may incur indebtedness in which recourse is not limited to specific assets and indebtedness which is collateralized by more than one asset, creating a situation where the investment in performing assets could be adversely impacted when those performing assets have been cross-collateralized with assets that become nonperforming.

In addition, Managers may incur indebtedness that may bear interest at variable rates. Variable rate debt creates higher debt service requirements if market interest rates increase, which would adversely affect investors. Investors may engage in transactions to limit exposure to rising interest rates if appropriate and cost effective, which transactions could expose investors to the risk that counterparties to such transactions may not perform and cause investors to lose the anticipated benefits therefrom, which would have the adverse effects associated with increases in market interest rates.

Our clients are subject to the risks of holding leveraged investments. Leverage creates an opportunity for increased return on equity, but at the same time creates risk for investors. For example, leveraging magnifies changes in a fund's net worth. A Manager will leverage assets only when there is an expectation that leverage will provide a benefit, such as enhancing returns, although neither a Manager nor Courtland can assure that the use of leverage will prove to be beneficial. Increases in credit spreads in the market generally may adversely affect the market value of an investor's holdings. Moreover, no Manager can assure that it will be able to meet debt service obligations in general and, to the extent such obligations are not met, there is a risk of loss of some or all of an investor's investments through foreclosure or a financial loss if a Manager is required to liquidate assets, the impact of which could be magnified if such a liquidation is at a commercially inopportune time.

A Manager's use of leverage may create a mismatch with the duration of the investments that it is financing. In the event that a fund's leverage has a shorter term than a financed investment, a fund may not be able to extend or find appropriate replacement leverage adversely impacting a fund's liquidity and returns. In the event that a fund's leverage is longer term than a financed investment, a fund may not be able to repay such leverage or replace the financed investment with an optimal substitute, which will negatively impact a fund's desired leveraged returns.

A Manager's attempts to mitigate risk are subject to factors outside of a fund's control, such as the availability of favorable financing and hedging options, which are subject to a variety of factors, of which duration and term matching are only two such factors. A fund's credit agreements may impose restrictions on the operation of a fund's business. A Manager may make certain representations, warranties, and affirmative and negative covenants in credit agreements that may restrict a fund's ability to operate while still utilizing those sources of credit. Such representations, warranties, and covenants may include but are not limited to restrictions on partnership guarantees, the maintenance of certain financial ratios (including a fund's ratio of debt to equity capital and its debt service coverage ratio), the maintenance of a minimum net worth, restrictions against a change of control of a fund and limitations on alternative sources of capital.

A fund may guarantee some of its leverage and contingent obligations. A fund that we recommend or invest in on behalf of clients may guarantee the performance of some of its subsidiaries' obligations, including but not limited to some of its obligations to co-invest in vehicles and unsecured indebtedness. Non-performance on such obligations may cause losses to a fund in excess of the capital a fund initially may have invested/committed under such obligations and there is no assurance that a fund will have sufficient capital to cover any such losses.

Balloon or Other Loans. A Manager may make, or borrow under, loans secured by real property or leasehold interests therein. If interest rates or financial markets change, or there is an adverse development with respect to an underlying property or a tenant thereof, a Manager may be unable to repay or obtain repayment of such loan, refinance such loan, procure permanent financing for the property or dispose of the property at a price sufficient to satisfy its indebtedness or recover amounts it had loaned. If a Manager subjects a property to multiple security interests or makes a subordinated loan, the risk of loss would be increased.

In addition, a recommended fund may make or borrow under loans which do not require the complete amortization of principal over their term, or which are non-amortizing or have negative amortization through the accrual or deferral of interest. Such "balloon" loans involve greater risks than long-term, fully amortizing mortgages since a fund's ability to repay them or to obtain repayment may be dependent upon economic conditions in general and the value of underlying properties in particular.

A fund may not have control over its investments. In certain situations, a recommended fund may (a) acquire only a minority interest in a property or other asset in which it invests, (b) rely on independent third-party management or strategic partners with respect to the management of a property or other asset in which it invests, or (c) acquire only a participation interest in an asset underlying an investment. Therefore, a fund may not be able to exercise control over the investment or loan. Such financial assets may involve risks not present in investments where senior creditors, servicers or third-party controlling investors are not involved. In addition, in these circumstances, a fund may not receive sufficient information in order to monitor the performance of its investments. A fund's rights to control the process following a borrower default may be subject to the rights of senior creditors or servicers whose interests may not be aligned with a fund.

Competition for Investments. Managers that we recommend will compete for the acquisition of investments with many other potential investors, some of which will have greater resources than funds we have recommended or to which we have subscribed. There may be intense competition for investments of the type in which a recommended Manager intends to invest, and such competition may result in less favorable investment terms than would otherwise be the case. There can therefore be no assurance that the investments ultimately acquired by a recommended Manager will meet all the investment objectives of a Manager, or that a Manager will be able to invest all of its available funds.

The success of a recommended Manager and a Manager's operating results will be dependent on the availability of attractive investments and a Manager's ability to identify, structure, consummate, leverage, manage and realize returns on attractive investments. In general, the availability of desirable investment opportunities and, consequently, a fund's returns, will be affected by the level and volatility of interest rates, conditions in the financial markets, general economic conditions, the market and demand for investment opportunities, the supply of capital for such investment opportunities, the level of government involvement in capital markets, and the enactment of legislation changing tax and accounting rules historically favorable to investments in real estate. A Manager cannot make any assurances that it will be successful in identifying and consummating investments which satisfy its rate of return objectives or that such investments, once consummated, will perform as anticipated. A Manager may expend significant time and resources in identifying and pursuing targeted investments, some of which may not be consummated.

Limited Transferability of Investment Interests. Real estate fund interests are typically not registered under any U.S. federal securities act or under any applicable state securities laws, nor are any such registration contemplated. No public market for fund interests will develop, and the sale or transfer of fund interests will be subject to certain restrictions contained in a subscription agreement. Consequently, investors may not be able to liquidate their investment in the event of emergency or for any other reason. Purchase of real estate interests is suitable only for persons who have no need for liquidity with respect to their investment.

Reliance on the Manager and its Officers. A Manager will be dependent on the investment management expertise of a Manager's partners. Accordingly, investors will not have an opportunity to evaluate or approve specific investments prior to investing. Investors will be relying on the ability of a Manager, who will have wide latitude within the investment guidelines in determining the types of assets it may decide are proper investments for a Manager, to identify, consummate, and manage investments. The co-investors have no right or power to take part in a fund's management, other than by voting on certain other matters as provided in a subscription agreement.

Investments in Distressed Assets. Courtland may recommend making investments in non-performing or other troubled assets that involve a degree of financial risk, and there can be no assurance that a fund's objectives will be realized or that there will be any return of capital. Furthermore, investments in properties operating in workout modes or under Chapter 11 of the U.S. Bankruptcy Code may, in certain circumstances, be subject to additional potential liabilities that could exceed the value of the investor's original investment, including equitable subordination and/or disallowance of claims or lender liability. In addition, under certain circumstances, payments to a fund and distributions by a fund to investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment under applicable law.

Timing. A Manager may be required to make investment decisions on an expedited basis. Investment analyses and decisions by the Manager and a Manager may frequently be required to be undertaken on an expedited basis to take advantage of opportunities. In such cases, the information available to a Manager at the time of making an investment decision may be limited, and a Manager may not have complete information regarding the investment asset(s), such as physical matters, zoning, regulations or other local conditions affecting an investment. Therefore, no assurance can be given that a Manager will have knowledge of all circumstances that may adversely affect an investment. In addition, a Manager expects to rely upon specialized expert input from third-party consultants and service providers in connection with their evaluation of proposed investments.

Co-investors may fail to make capital contributions. If another investor in a fund that Courtland recommends defaults on its obligation to make required capital contributions, it may be difficult for a Manager to make up the shortfall from other sources. The Courtland clients who have invested in such a fund may be required to contribute additional capital to replace such shortfall. Thus, a default by one or more other investors in a fund could cause a fund to lose investment opportunities due to the need to use commitments to fund shortfalls. To the extent that some investors do not honor their commitments, a fund may make draw-downs from the remaining investors to a larger extent or earlier than it otherwise would. If contributions made by such non-defaulting investors and borrowings by a fund are inadequate to cover the defaulted capital contribution, a fund may be unable to pay its obligations when due. In addition, to the extent another investor in a fund fails to fund a drawdown on its commitment, a fund may, in certain circumstances, be forced to increase its leverage or breach its contractual obligations and may be subject to liability stemming from potential breach of contract and tort claims, including significant penalties that could have a material adverse impact on the returns to co-investors (including non-defaulting co-investors).

Development Properties. A Manager that Courtland recommends may invest in real estate investments comprised of properties under development. Purchasing property prior to completion of development and construction, or making loans relating to properties under development, is subject to greater risks than the purchase of properties with operating histories or making loans relating thereto. In connection with the purchase of or making loans with respect to properties under development and construction, a fund will be subject to certain risks, including, without limitation, the risks of unanticipated delays in, or increases in the cost of, development and construction as a result of factors beyond the control of a fund and a Manager. These factors may include, but are not limited to, strikes, adverse weather, material shortages, building restrictions, clearances, environmental impact studies, solvency of the contractor or subcontractors and increases in the cost of labor and materials. In addition, the contractor may not be able to build in conformity with plans and specifications, and the property may not be rented for the amounts or within the time projected. Additional risks may be incurred where a fund makes periodic progress

payments or other advances to contractors prior to completion. A Manager may be unable to recover such payments subsequent to any such contractor's default. Such factors can result in increased costs of a project and/or delay in completion and/or loss of anticipated rental revenues and corresponding depletion of a fund's working capital and reserves or loss of a fund's investment. Furthermore, the price paid for a property upon which improvements are to be constructed or completed must of necessity be based upon projections of rental income and expenses or of the fair market value of the property upon completion of construction. Whether the property will operate at such projected income and expense levels or achieve such projected fair market value cannot be determined in most cases until after completion of construction and a number of months of actual operation.

Multifamily Property Risks. A Manager may invest in multifamily properties, which subjects a fund to particular risks. A large number of risk factors may affect the value and successful operation of such properties, including: physical attributes of the property such as its age, condition, design, appearance, access to transportation and construction quality; location of the property; ability of management to provide adequate maintenance and insurance; the types of services or amenities that the property provides; the property's reputation; the level of mortgage interest rates and availability of government incentives, which may encourage tenants to purchase rather than lease housing; presence of competing properties; the tenant mix, such as the tenant population being predominantly students or being heavily dependent on workers from a particular business or personnel from a local industrial unit; adverse local or national economic conditions, which may limit the amount of rent that may be charged and may result in a reduction of timely rent payments or a reduction in occupancy levels; state and local regulations, which may affect the building owner's ability to increase rent to the level of market rents for an equivalent apartment; government assistance/rent subsidy programs; and the inventory of unsold condominium units in the local market that are being rented until economic conditions in the condominium market improve. If any of such risk factors are heightened or the conditions associated with such risk factors deteriorate, a fund's investments in multifamily properties may incur losses. In addition, certain jurisdictions regulate the relationship between an owner and its tenants. Commonly, these laws require a written lease, good cause for eviction, disclosure of fees, and notification to residents of changed land use, while prohibiting unreasonable rules and retaliatory evictions.

Office Property Risks. A Manager may invest in office properties, which subjects a fund to particular risks. There are a large number of risk factors associated with investments in office properties, including: the impact of the recent recession on the local market and the building's tenants; the quality of an office building's tenants; an economic decline in the business operated by the tenants; the physical attributes of the building in relation to competing buildings (e.g., age, condition, design, appearance, location, access to transportation and ability to offer certain amenities, such as sophisticated building systems and/or business wiring requirements); the physical attributes of the building with respect to the technological needs of the tenants, including the adaptability of the building to changes in the technological needs of the tenants; the diversity of an office building's tenants (or reliance on a single or dominant tenant); the availability of sublease space; the desirability of the area as a business location; the strength, nature and unemployment rates of the local economy, including labor costs and quality, tax environment and quality of life for employees; and an adverse change in population, patterns of telecommuting or sharing of office space and employment growth (which creates demand for office space). To the extent any of such risk factors are heightened or the conditions associated with such risk factors deteriorate, a fund's investments in office properties may incur losses.

Retail Property Risks. A Manager may invest in retail properties, which subjects a fund to particular risks. The value and successful operation of a retail property is sensitive to a number of risk factors, including, but not limited to: changes in consumer spending patterns, local competitive conditions (such as the supply of retail space or the existence or construction of new competitive shopping centers or shopping malls, including, for example, competition between regional malls and local shopping centers and changing consumer preferences for upscale outlet malls, big-box discount stores and price clubs); the bankruptcy or distress of tenants; the availability of sublease space; alternative forms of retailing (such as direct mail, video shopping networks and internet web sites, which reduce the need for retail space by retail companies); the safety, convenience and attractiveness of the property to tenants and their customers or clients; the public perception of the safety of customers at shopping malls and shopping centers; the need to make major repairs or improvements to satisfy the needs of major tenants; traffic patterns and access to major thoroughfares; and unemployment rates in the local economy. The general strength of retail sales also directly affects retail properties. If retail sales by tenants in a fund's properties were to decline, the rents that are based on a percentage of revenues may also decline, and tenants may be unable to pay the fixed portion of their rents or other occupancy costs. The cessation of business by or bankruptcy of a significant tenant can have a material adverse effect on a retail property, not only because of rent and other factors specific to such tenant, but also because significant tenants at a retail property play an important part in generating customer traffic and making a retail property a desirable location for other tenants at such property.

Industrial Property Risks. A Manager may invest in industrial properties, which subjects a fund to particular risks. Significant factors determining the value of industrial properties are: the location of the property (including proximity to supply sources and customers and accessibility to rail lines, major roadways and other distribution channels and transportation routes); the quality of tenants; a reduced demand for industrial space because of a decline in a particular industry segment, property becoming functionally obsolete, building design and adaptability, scarcity of labor sources, changes in access, energy prices, strikes, relocation of highways, the construction of additional highways or other factors; changes in proximity of supply sources; the expenses of converting a previously adapted space to general use; and the location of the property. Concerns about the quality of tenants, particularly major tenants, are similar in both office properties (as discussed above) and industrial properties, although industrial properties may more frequently be dependent on a single or a small number of tenants.

A particular industrial or warehouse property that suited the needs of its original tenant may be difficult to re-lease to another tenant or may become functionally obsolete relative to newer properties. Also, properties used for many industrial purposes are more prone to environmental concerns than other property types. Further, because of unique construction requirements of many industrial properties, many vacant industrial property spaces may not be easily converted to other uses. Thus, if the operation of an industrial property becomes unprofitable due to competition, age of the improvements or other factors, the liquidation value of that industrial property may be substantially less than would be the case if the property were readily adaptable to other uses.

Item 8. C.

We believe that real estate has a number of attractive features that make it an appropriate allocation within a portfolio. These aspects include:

- Current Income: Real estate can provide a stable current income return.
- Appreciation: Real estate often provides the potential for long-term capital appreciation.
- Inflation-Hedge: Historically over a long time horizon, real estate has mitigated the effects of inflation.
- Portfolio Diversity: Real estate provides investment opportunities in public, private, equity and debt vehicles.

Disciplinary Information

Item 9. A., 9. B., and 9. C.

Courtland has never been involved in any litigation that is material to our business or legal proceedings. No Courtland professionals have ever been a party to any lawsuit or legal matter involving professional services. Courtland has been subject to routine examinations by the SEC and other regulatory agencies. We are not, nor have we ever been subject to, any legal or disciplinary events that would be material to our business or to a client's or prospective client's evaluation of our business or integrity of our management.

Other Financial Industry Activities and Affiliations

Item 10. D.

We have an agreement with an investment manager that uses us as a consultant with respect to its fund-of-fund offerings. The investment manager has domestic and international fund-of-funds products for which we are engaged as a consultant. We serve as a non-discretionary consultant, which entails providing strategy and pooled fund investment recommendations as well as performance measurement services. We receive a consulting fee based in part on the size of the fund, but there is no incentive fee or interest in the fund-of-funds platform. The compensation provided in this agreement is consistent with our other consulting relationships. One Courtland client is invested with this manager, but did not consult Courtland on its investment decision. Should Courtland be asked to advise this client on its investment with the investment manager, Courtland will consult outside fiduciary counsel in order to mitigate any conflict of interest and provide adequate disclosures to the appropriate parties.

Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

Item 11. A.

Conflicts of interest exist when a person or firm is involved in an activity or has a personal interest that might interfere with that person's or firm's objectivity or independence in performing his/her or its duties and responsibilities. Accordingly, we prohibit any such activity or personal interest. We have adopted a Code of Ethics and Standards of Professional Responsibility that governs our conduct, which we will provide a copy of to any client or prospective client upon request.

Courtland advises only institutional clients and has no fund-of-funds product or direct fund. Notably, we endeavor to avoid any actual or perceived conflicts. Courtland does not receive fee revenue or derive economic benefit from investment managers. Furthermore, Courtland does not have any financial relationships with institutions such as brokerage firms or "clearinghouses," nor do we provide any of those services. Moreover, our principals do not have any financial interest in any real estate operating companies such as REITs.

Courtland does not invest in transactions or with managers that it recommends to clients. In the case multiple clients of Courtland are investing in the same transaction, as a general matter, Courtland discloses all material facts regarding each client's participation in the transaction so that each client can make an informed decision whether to enter into or continue an advisory relationship with Courtland, or take some action to protect themselves against a potential the conflict.

Brokerage Practices

Item 12.

Courtland does not use broker-dealers for client transactions.

Review of Accounts

Item 13.

Our services are limited to real estate and real estate related consulting and discretionary investment management as described above, and we do not provide investment advice regarding any other types or forms of investments.

Client Referrals and Other Compensation

Item 14.

Courtland does not compensate any third party for client referrals.

Custody

Item 15.

We do not have custody of client funds. Our clients will receive account statements directly from the financial institution, bank, or other qualified custodian.

Investment Discretion

Item 16.

We offer discretionary consulting services to our clients. First, in these relationships we initially work with clients to identify and to articulate in an investment strategy the risk/return level desired for the real estate allocation. Second, we develop with the client a detailed investment policy statement that sets forth the client's investment policies and guidelines. Our investment activities are then implemented on a discretionary basis, i.e., we have the authority to determine the securities to be bought or sold, and the amount of securities to be bought or sold so long as those decisions are consistent with the client's approved and adopted investment guidelines.

Our discretionary consulting services generally do not include the acquisition, asset management, or disposition of individual properties. Rather, our discretionary services relate to the identification and selection of management firms or pooled funds that are responsible for these activities. Our due diligence process on managers and pooled funds is based on a careful assessment of (i) plan-specific objectives and (ii) the strength of the particular manager, its track record, its organization, its investment philosophy and capabilities, its fee structure, and its strategy relative to that of its peer group.

Voting Client Securities

Item 17.

We do not have authority to vote client securities for non-discretionary clients. However, for discretionary clients when Courtland feels that an amendment to real estate investment fund strategy or organizational documentation is in the best interests of our respective clients, Courtland will exercise discretion in approving such amendments. Whenever possible, Courtland will inform clients about such approvals. Our management agreements with our discretionary clients require Courtland to act in a prudent manner in exercising our fiduciary duties including cases where we are requested to vote client securities. In the past, Courtland clients' investment interests have been aligned with respect to their interests in real estate related investments. Therefore, Courtland has not had to address conflicts of interest with respect to voting client securities. Upon request, Courtland clients and their counsel may be provided with copies of any proxy voting policies and procedures.

Financial Information

Item 18. A.

We do not solicit fees six months or more in advance.

Item 18. B.

We are unaware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to clients with respect to our discretionary authority.

Item 18. C.

We have not been the subject of a bankruptcy petition.