

CROW HOLDINGS CAPITAL

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This brochure provides information about the qualifications and business practices of Crow Holdings Capital. If you have any questions about the information contained in this brochure, please contact us at (214) 661-8000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

This brochure does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of offering, governing and/or account documents that contain the material terms relating to such investments, products or services.

Additional information about Crow Holdings Capital also is available on the SEC's website at www.adviserinfo.sec.gov.

March 31, 2015

ITEM 2: MATERIAL CHANGES

The date of the last annual updating amendment to our firm brochure was on March 31, 2014. A summary of the material changes made to our firm brochure since the date of the last annual updating amendment is set forth below:

- We began conducting various aspects of our advisory business under the following assumed names: “Crow Holdings Capital”, “Crow Holdings Capital – Real Estate”, and “Crow Holdings Capital – Investment Partners.” **See Item 4.**
- With respect to investors making initial equity commitments to CHCP Direct Investors, L.P. after November 1, 2014, we may be entitled to receive a carried interest equal to 5% of profits on distributions derived from the disposition of an investment on a deal-by-deal basis. **See Item 5.**
- One of our affiliates established CHC Elements Fund, L.P. as a private pooled investment vehicle that invests primarily (directly or indirectly) in reinsurance contracts and similar reinsurance-related investments. With respect to CHC Elements, we may be entitled to receive a performance-based allocation equal to 5% of the net profits allocated to each capital account of a Class B participating investor for the applicable fiscal year. **See Item 5.** We added various disclosures regarding CHC Elements to our brochure including, without limitation, risk factors relating to reinsurance and retrocession contracts. **See Item 8.**
- With respect to Advisory Accounts, our advisory fees now range between 0.50% and 0.60% per annum, subject to a minimum advisory fee of \$200,000 per year and various other exceptions described in Item 5. We also added more detailed disclosures regarding the calculation of the advisory fee with respect to Advisory Accounts. **See Item 5.**
- In Item 5, we included more detailed disclosures and information regarding the costs, fees and expenses borne and paid by the Funds.
- The Pershing Custody Fee reduced from 4 basis points to 3.75 basis points.
- We made various revisions, modifications and clarifications to the disclosures regarding our investment opportunity allocation policy. **See Item 12.**
- We entered into an agreement with CB Fund Services to provide accounting and other services with respect to the Real Estate Funds. **See Item 10.**

The information set forth in this brochure is qualified in its entirety by the applicable offering materials and/or governing documents. In the event of a conflict between the information set forth in this brochure and the information in the applicable governing and offering documents, such documents shall control. We encourage all clients and investors to carefully review this document and/or any other applicable disclosure documents in their entirety.

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ITEM 4: ADVISORY BUSINESS

FIRM DESCRIPTION AND OVERVIEW

Crow Holdings Capital (“CHC” or “we,” “us,” or “our”) provides investment management, advisory and other services to pooled investment vehicles and separately managed accounts through two business units: Crow Holdings Capital – Real Estate and Crow Holdings Capital – Investment Partners. These advisory services began being offered in 2011 and, as described in more detail below, Crow Holdings Capital – Real Estate provides advisory services to the Real Estate Funds and Crow Holdings Capital – Investment Partners provides advisory services to the Securities Funds and separately managed advisory accounts.

Our investment advice is provided in accordance with the investment objectives, strategies, guidelines, restrictions and limitations contained in the applicable offering, governing and/or account documents, and the information in this brochure is qualified in its entirety by the information set forth in such documents.

PRINCIPAL OWNERS

We are ultimately owned, indirectly through intermediate subsidiaries, by Crow Family Holdings (as defined below) and select members of our management team. As used herein, “Crow Family Holdings” means (i) Harlan R. Crow, Trammell S. Crow, Stuart M. Crow, Carter T. Crow and their respective lineal descendants and (ii) entities owned and controlled by any two or more of such individuals and/or trusts established for their benefit or the benefit of the spouses of any such persons. While Crow Family Holdings owns a majority of our equity interests, it is a passive owner and is not involved in our day-to-day management and operations.

TYPES OF ADVISORY SERVICES

Real Estate Funds

Crow Holdings Capital – Real Estate provides advisory services to private pooled investment vehicles (“Real Estate Funds”) with respect to investments in real estate and real estate related assets, including warehouses, retail centers, retail convenience store and gas station assets, multi-family housing, office buildings, hotels, medical office buildings, single family residential lot development and debt secured, directly or indirectly, thereby. We are responsible for investing the assets of each Real Estate Fund in accordance with the investment objectives, policies and guidelines set forth in its offering and governing documents. Information about each Real Estate Fund is set forth in its offering memorandum. **See Item 8 below.**

Securities Funds

Crow Holdings Capital – Investment Partners provides advisory services to private pooled investment and other vehicles (“Securities Funds” and, together with the Real Estate Funds, the “Funds”) with respect to investments in securities, financial instruments, private investments and other assets, including co-investments and investments in other pooled investment vehicles (“Underlying Funds”) and separately managed accounts (“Underlying Accounts”) managed and operated by third-party investment advisers or managers (“Underlying Managers”). We generally are responsible for investing and re-investing the assets of each Securities Fund (and for the selection of Underlying Funds, Underlying

Accounts and Underlying Managers) in accordance with the investment objectives, policies and guidelines set forth in its offering and governing documents. Information about each Securities Fund is set forth in its offering documents. **See Item 8 below.**

Advisory Accounts

Crow Holdings Capital – Investment Partners also provides investment advisory services to separately managed advisory accounts (“Advisory Accounts”) of various clients with respect to investments in securities, financial instruments, private investments and other assets, including investments in the Funds, Underlying Funds and Underlying Accounts. Advisory Accounts are managed in accordance with the terms, conditions, guidelines and limitations set forth in the investment advisory agreement with each Advisory Account client. **See Item 8 below.**

In addition to the foregoing, we also provide advisory and other services with respect to Crow Family Holdings and the Advisory Accounts of certain affiliates thereof.

Financial Planning and Consulting Services

In addition to the foregoing, we have provided, and may from time to time in the future provide, financial planning and/or general business consulting services to certain advisory clients.

INVESTMENT RESTRICTIONS

Funds

We provide investment advice to each Fund in accordance with the investment objectives, policies and guidelines set forth in the applicable offering and governing documents, and not in accordance with the individual needs or objectives of any particular investor in that Fund. Investors generally are not permitted to impose restrictions or limitations on the management of the Funds. Notwithstanding the foregoing, the general partner of a Fund may enter into side letter agreements with one or more investors in that Fund that alter, modify or change the terms of the interests held by those investors.

Advisory Accounts

We provide and tailor our investment advice based on the investment guidelines, objectives, restrictions, financial circumstances and risk tolerance of each Advisory Account client. Subject to our approval, Advisory Account clients generally may impose reasonable restrictions and limitations on the management of their Advisory Accounts.

ASSETS UNDER MANAGEMENT

As of December 31, 2014, we had approximately \$6,980,627,000 in regulatory assets under management. Approximately \$6,552,447,000 of those assets were managed on a discretionary basis and approximately \$428,180,000 were managed on a non-discretionary basis.

ITEM 5: FEES AND COMPENSATION

FEE SCHEDULES

The fees and expenses applicable to each Fund and Advisory Account client are set forth in detail in the applicable offering documents or investment advisory agreement. A brief summary of such fees and expenses is set forth below.

Real Estate Funds

We generally receive a management fee, payable quarterly in advance, equal to:

- during the investment period, between 0.3125% (1.25% per annum) and 0.375% (1.5% per annum) of each limited partner's aggregate capital commitments; and
- after the investment period, between 0.3125% (1.25% per annum) and 0.375% (1.5% per annum) of each limited partner's invested capital in respect of investments that have not been the subject of a complete or partial disposition (as set forth in the applicable governing documents).

The Real Estate Funds generally are subject to a carried interest equal to 20% of profits on distributions derived from the disposition of investments (following the return of contributed capital and a preferred rate of return of 9% to investors).

In addition, the general partners of certain Real Estate Funds are entitled to receive a current income incentive equal to 10% of profits on distributions derived from operating proceeds (cash flow except from distributions and refinancings) during each fiscal year (following the return of contributed capital in respect of operating expenses, management fees, debt service or reserves to investors). Any distributions in respect of the current income incentive will be considered as an advance against the carried interest.

Management fees and/or carried interest distributions with respect to the Real Estate Funds and each investor are not negotiable.

Securities Funds

Management fees differ depending upon the class of interests acquired by investors:

- Class A Interests (Advisory Account Clients): No management fee is charged to Class A Interests at the Securities Fund level. Upon termination of an investment advisory agreement, an Advisory Account client will typically become subject to the management fees charged to non-Advisory Account clients.
- Class B or B-1 Interests (Non-Advisory Account Clients): We generally receive a management fee, payable quarterly in advance, equal to 0.25% (1.0% per annum) of the net asset value of that investor's capital account, the aggregate capital commitment of that investor or the total invested capital of that investor (as applicable).
- Class C Interests (Certain Employees, Officers, Directors and Affiliates): In general, no management fee is charged to Class C Interests at the Securities Fund level.

We and/or our affiliates generally are not entitled to receive any performance-based allocations or fees with respect to the Securities Funds. Notwithstanding the foregoing, (i) investors making an initial equity commitment to CHCP Direct Investors, L.P. ("CHCP Direct Investors") after November 1, 2014 may be subject to a carried interest equal to 5% of profits on distributions derived from the disposition of an investment on a deal-by-deal basis (following the return of contributed capital, expenses and a preferred rate of return of 8% to investors) and (ii) with respect to CHC Elements Fund, L.P. ("CHC Elements"), we generally will be entitled to receive a performance-based allocation equal to 5% of the net profits allocated to the capital account of each Class B participating investor for the applicable fiscal year, which will be reallocated to our capital account at the end of such fiscal year. **See Item 6, Item 10 and Item 11 below.**

While our fees generally are not negotiable, the general partner of a Securities Fund may enter into side letters or similar arrangements that reduce or eliminate fees in certain circumstances.

Advisory Accounts

In general, our advisory fees range between 0.50% and 0.60% per annum of the asset value of the Advisory Account, subject to a minimum advisory fee of \$200,000 per year. However, for a period of time after a client first establishes an Advisory Account with us, we may charge an advisory fee equal to a fixed dollar amount, which may differ from the fee range and fee minimum provided above. We may, in certain unique circumstances, agree to reduce advisory fees with respect to all or part of an Advisory Account or enter into different advisory fee arrangements with respect to certain clients. Fees generally are payable quarterly in advance based upon the asset value of the Advisory Account as of the close of business on the last business day of the preceding calendar quarter. The advisory fees payable with respect to each client generally will be based upon various relevant factors including, without limitation, the size of an Advisory Account and the type and amount of services provided to an Advisory Account (or based on a client's prior agreement with us).

We generally are not entitled to receive any performance-based fees with respect to the Advisory Accounts other than as described in **Item 6, Item 10 and Item 11 below**. If an Advisory Account client invests in a Real Estate Fund, it will be required to pay to us and/or our affiliates the management fees and carried interest distributions charged at the Real Estate Fund level and, in addition, may be required to pay the advisory fees on its commitment amount as set forth above; *provided, however*, if an Advisory Client is an individual retirement account, the advisory fee attributable with respect to any of its assets that are invested in the Real Estate Fund will be offset against any management fees charged with respect to such client at the Real Estate Fund level.

DEDUCTION OF MANAGEMENT AND ADVISORY FEES

Real Estate Funds

Management fees may be funded with capital contributions called from investors, through withholdings from distributions, or from a line of credit carried by such funds, consistent with each Real Estate Fund's governing agreements.

Securities Funds

With respect to each applicable investor, management fees may be funded (as applicable based upon the terms of the Securities Fund) by deducting such fees directly from that investor's capital account, with capital contributions called from that investor or by reducing distributions which would otherwise be made to that investor. In the event of a withdrawal by an investor other than as of the last calendar day of a calendar quarter, a *pro rata* portion of the management fee, based

upon the actual number of days remaining in such quarter as of the date of withdrawal, will be refunded by us to the applicable Securities Fund for credit to such investor's capital account.

Advisory Accounts

Advisory Account clients typically authorize and direct us to deduct our advisory fees directly from their custodial accounts. In certain cases, Advisory Account clients may be billed and responsible for paying advisory fees directly to us. We generally send invoices to our clients on a quarterly basis.

Investment advisory agreements with Advisory Account clients generally do not have termination dates. Instead, investment advisory agreements typically may be terminated by us or the clients at any time upon at least 15 days advance written notice, as set forth in the applicable agreements. Advisory fees may be prorated (i) with respect to withdrawals, on any date other than as of the end of a calendar quarter and (ii) with respect to contributions, on any date other than as of the beginning of a calendar quarter. In the event of termination of the investment advisory agreement, any unearned fees paid in advance will be refunded to the client (minus any account expenses and reserves for expenses).

OTHER FEES AND EXPENSES

General

In addition to the fees set forth above, clients generally bear all fees, costs and expenses associated with their investments and Advisory Accounts, including the types of fees, costs and expenses set forth below. To the extent requested or authorized in writing, Advisory Account clients may also be required to bear reasonable travel and other expenses incurred by us in connection with investment due diligence, negotiation or monitoring. If any fees, costs and/or expenses are incurred jointly for the account of a client and one or more other clients, such fees, costs and/or expenses generally will be allocated among the applicable clients in such manner as we determine to be fair and equitable under the circumstances. We or an affiliate may from time to time elect to bear certain costs and expenses.

Underlying Manager Fees

In addition to our fees, each Underlying Manager generally imposes management fees and also may impose performance-based fees or allocations based upon realized and unrealized appreciation in the value of the assets managed by that Underlying Manager. These fees generally will be borne, directly or indirectly, by our clients. **See Item 6 below.**

Fund Expenses

Subject to the terms set forth in its applicable governing documents, each Fund generally bears or may bear, as applicable, (and reimburses us and our affiliates for) all costs, fees and expenses relating to its activities and operations (and/or those of any special purpose or parallel investment vehicle) including, without limitation: (i) costs and expenses incurred in connection with the formation and organization of the Fund (and its general partner) (and any wholly-owned subsidiary of the Fund) and the offering of interests in the Fund (and any parallel investment vehicles), (ii) costs and expenses associated with the operation of the Fund (and/or any special purpose or parallel investment vehicle), including tax and financial statement preparation fees (including, without limitation, expenses related to the preparation of tax returns, tax estimates and Schedules K-1), governmental fees and taxes, administrator fees, custodial fees, costs of communications with

investors and ongoing legal, accounting, auditing, administration, appraisal, bookkeeping, consulting and other professional fees and expenses, including for litigation and preparation of financial statements and reports; (iii) costs, expenses and charges incurred in connection with the investment and trading activities of the Fund and the management, monitoring, identification, evaluation, negotiation, structuring, due diligence, underwriting, development, acquisition, ownership, sale, valuation, hedging or financing of the Fund's investments or potential investments, including research expenses, brokerage and custodial fees and commissions, fees of financial advisors, legal counsel, consultants, engineers and any other professionals and third-parties retained by or on behalf of the Fund in connection with such activities and travel expenses (which may include the cost of first or business class commercial travel, lodging, entertainment and meals); (iv) costs and expenses of D&O and other insurance for such Fund and its general partner; (v) expenses of any meetings of the Investors and any distributions to investors, (vi) the costs of any litigation or other extraordinary events and indemnification obligations relating to the affairs of the Fund, (vii) expenses related to third party research, publications, data and data services, including real time pricing and market information and historical pricing and other data, (viii) expenses and costs incurred in connection with any regulatory or legal filings required to be made with respect to the Fund or its activities (including, without limitation, Form D and blue sky filing fees and Form PF) and costs of compliance with applicable laws and regulations with respect to the Fund, (ix) expenses associated with maintaining the Fund's legal existence, including directors' fees, administrators' fees, occupancy costs and other operating costs of entities that maintain their own offices in certain jurisdictions, (x) all fees and expenses associated with investments in the Underlying Funds, including, but not limited to, performance-based fees or allocations, management fees, investment-related expenses of the Underlying Funds, brokerage commissions, transaction expenses and other applicable fees and expenses charged by the Underlying Funds and Underlying Managers, and (xi) all expenses incurred in connection with any borrowing, indebtedness or credit facility of the Fund. Each Securities Fund will also be required to bear its pro rata share of any costs and expenses incurred in connection with industry and/or private fund manager conferences or seminars (including travel expenses), to the extent the primary purpose of such conferences is related to the identification of prospective Underlying Funds or Underlying Managers or the investment due diligence process. In addition, each Real Estate Fund and CHCP Direct Investors generally bears 100% of the expenses incurred in the operation of any wholly-owned subsidiary of such fund. Notwithstanding the foregoing, we or an affiliate may from time to time in our or its discretion elect to bear certain expenses or costs relating to or with respect to one or more of the Funds.

The foregoing list of expenses is not intended to be exhaustive or complete with respect to any Fund and is qualified in its entirety by the applicable governing and offering documents of each Fund. Investors generally do not receive detailed information regarding specific expenses paid by the Funds.

Underlying Fund or Underlying Manager Expenses

Clients generally bear, directly or indirectly through their investment in each Underlying Fund or other investment vehicle (as applicable), their *pro rata* share of the offering, organizational and operating expenses of such Underlying Fund or other investment vehicle, and expenses related to the investment of such assets, such as brokerage commissions (including soft dollar payments), expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees, interest expenses, borrowing costs and extraordinary expenses.

Custodial and Administration Fees

With respect to the Funds, custody and administration fees, if any, are charged separately by the custodian or administrator and are in addition to the advisory fees payable to us. Advisory Account clients are responsible for their share of any fees

or expenses charged by third-party administrators or custodians and these fees and expenses are in addition to the advisory fees payable to us.

As described in **Item 12** below, we generally recommend that Advisory Account clients utilize the custodial, brokerage, clearing and other services of Pershing Advisor Solutions, a registered broker-dealer and affiliate of Pershing, L.L.C. (collectively, “Pershing”). As compensation for its services, Pershing generally will charge Advisory Account clients a flat rate custody-based fee (the “Pershing Custody Fee”) of 3.75 basis points on assets held in their custodial account(s) at Pershing. The Pershing Custody Fee includes trades executed through Pershing either directly or indirectly, but does not include foreign currency trades and certain other items that will be charged directly to clients on a per execution basis. The Pershing Custody Fee is in lieu of transaction-based brokerage commissions, does not vary based on the number or size of trades in client accounts, and does not include fees for trade away execution and services in connection with transactions effected through broker-dealers other than Pershing or its agents/affiliates. The Pershing Custody Fee is charged quarterly in advance and calculated based on the average value of the custodial account on the last day of the past three calendar month ends. The Pershing Custody Fee is deducted by Pershing directly from the custodial account of each applicable client and is in addition to the advisory fee charged by us. Additional fees and expenses may be incurred for transactions executed by a broker-dealer other than Pershing or its agents/affiliates, or if a custodian other than Pershing or its agents/affiliates is used. **See Item 12 below.**

Brokerage

Clients generally are responsible for and pay all brokerage fees and expenses. For Advisory Account clients who open custodial account(s) at Pershing, the Pershing Custody Fee generally includes all trades executed through Pershing either directly or through the use of Underlying Managers. Additional fees and expenses may be incurred for transactions executed by a broker-dealer other than Pershing or its agents/affiliates. **See Item 12 below.**

COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS

Neither we nor any of our supervised persons accept compensation for the sale of securities or other investment products.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

PERFORMANCE-BASED FEES

As noted under **Item 5** above, we and/or certain of our affiliates are or may be entitled to receive performance-based compensation (in the form of carried interest distributions) with respect to the Real Estate Funds, CHCP Direct Investors and CHC Elements (with respect to Class B investors). While we and/or our affiliates currently are not entitled to receive performance based fees or allocations with respect to any other Securities Funds, we and/or one or more of our affiliates may receive such compensation in the future. In addition, certain of the Underlying Funds and Underlying Managers charge performance-based fees or allocations, which generally will be borne, directly or indirectly, by our clients. In addition, Crow Family Holdings has equity, profits or other interests or arrangements in or with certain Underlying Funds, Underlying Managers and/or their respective affiliates and investments by clients or the Securities Funds in such Underlying Funds and/or Underlying Managers will indirectly result in additional revenues to Crow Family Holdings. **See Item 10 and Item 11.**

Carried interest distributions and performance-based fees could motivate us and/or the Underlying Managers, as applicable, to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. The method of calculating the carried interest may result in conflicts of interest with respect to the management and disposition of investments, including the sequence of dispositions. In addition, because many performance-based fees or allocations are calculated on a basis that includes both realized and unrealized appreciation in portfolios based upon values assigned by the Underlying Managers (or their affiliates), Underlying Managers face a conflict of interest in valuing those portfolios. Certain of our individual employees, agents and affiliates (and employees, agents and affiliates of Underlying Managers) may be compensated to some extent based upon investment profits for which they are responsible and, accordingly, may face the same potential conflict. We attempt to address these conflicts through full and fair disclosure in the applicable governing, account and/or offering documents and/or this brochure and by monitoring Underlying Managers to detect any abuses.

In addition, in allocating investment opportunities, we may have an incentive to favor clients with a potential for performance-based compensation over clients with no potential for performance-based compensation. We are focused on monitoring the allocation of investment opportunities in such situations and endeavor to resolve any material conflict with respect to the allocation of investment opportunities. We have adopted policies and procedures in an attempt to ensure that all of our clients are treated in a fair and equitable manner with respect to the allocation of investment opportunities. **See Item 12.**

ITEM 7: TYPES OF CLIENTS

TYPES OF CLIENTS

We provide advisory services to various types of clients, including private pooled investment vehicles, foundations, endowments, trusts, estates, charitable organizations, corporations, other entities and high net worth individuals (including Crow Family Holdings and its affiliates).

ACCOUNT REQUIREMENTS

Funds

In general, the minimum initial capital contribution or capital commitment, as applicable, required for an investor in a Fund is described in its offering documents. The general partner of each Fund may accept lesser amounts in its discretion (subject to applicable law).

To invest in the Funds, each investor generally is required to be, among other things, an “accredited investor” and a “qualified purchaser,” as each term is defined in applicable U.S. securities laws.

Advisory Accounts

In general, our goal is for each client and/or its affiliates to ultimately have, in the aggregate, at least \$40 million in assets under our management or supervision. Advisory Account clients generally, among other things, (i) enter into account agreements with, and open custodial accounts at, Pershing (**see Item 12 below**), and (ii) sign investment advisory agreements that, among other things, set forth the nature and scope of our authority and the investment objections,

guidelines and restrictions applicable to the Advisory Accounts. In addition, Advisory Account clients generally must meet certain net worth, net asset and/or other eligibility requirements imposed by various securities and commodities laws.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Real Estate Funds

We generally seek to acquire a diversified portfolio of real estate and real estate assets within the investment objectives of each Real Estate Fund, including, without limitation, warehouses, retail centers, retail convenience store and gas station assets, multi-family housing, office buildings, hotels, medical office buildings/hospitals, single family residential lot development and debt secured, directly or indirectly, thereby. We evaluate the market throughout the investment period and deploy capital where we believe that the best opportunities can be found on a risk-adjusted basis. Nevertheless, we intend to primarily focus on sectors of real estate that historically have lower volatility and higher current income, such as retail, warehouse and multi-family.

We typically finance each asset separately on a non-recourse basis (subject to customary non-recourse carve-outs) in order to avoid cross-collateralization. This minimizes the possibility of a “mistake” in the portfolio creating a domino effect on other holdings within a Real Estate Fund. However, from time to time, a separate guaranty of the debt may be required, which may effectively cross-collateralize all or a portion of the portfolio. We strive to maintain appropriate levels of leverage.

We seek to generate attractive risk-adjusted returns consistent with each Real Estate Fund’s investment objectives through the implementation of one or more investment strategies, including the following:

Value Creation. We target well-located properties with an in-place income stream and the opportunity to produce appreciation through the implementation of value creation tactics such as (i) increasing net operating income, (ii) redevelopment, (iii) asset repositioning, (iv) acquiring assets in recovering markets, and (v) buying below replacement cost.

Development. As the competition for income producing assets has increased, development projects in markets with strong job growth or in supply constrained sub-markets increasingly attract investor capital. We target development opportunities with strategic local operators.

Negotiated Transactions. In a competitive investment environment, exploitation of a wide network of relationships is critical to placing capital effectively. We continually tap into our network of relationships to gain market knowledge and source transactions on a negotiated or limited competition basis.

Flexibility. We have the depth of management and experience to react quickly to changes in the market cycle and capitalize on windows of opportunity in the real estate market.

Securities Funds and Advisory Accounts

We intend to achieve the investment objectives of the Securities Funds primarily by investing in, and/or allocating client assets to, Underlying Funds, Underlying Accounts, co-investments and other financial instruments. We also generally recommend that Advisory Account clients invest and/or allocate assets to one or more of the Funds and certain Underlying Funds and/or Underlying Accounts.

In selecting a new Underlying Manager or Underlying Fund, we generally consider various factors including, without limitation, current market conditions and opportunities, the Underlying Manager's historical performance across various time periods and market cycles, the Underlying Manager's reputation, experience and training, the amount of leverage employed by the Underlying Manager, the correlation of an Underlying Account or Underlying Fund with existing Underlying Accounts and/or Underlying Funds, the investment and risk management philosophy and policies of the Underlying Manager, the stability of the Underlying Manager, the composition of the investor base of an Underlying Fund and the service providers and/or consultants used by the Underlying Manager. The Underlying Managers also may be involved in a variety of strategies, including but not limited to, long/short equity, credit related, distressed investing, managed futures, arbitrage, relative value, short-biased, long only or long-biased, quantitative, volatility, global macro, reinsurance and fixed income. We and the Underlying Managers may invest through both long and short positions in an unlimited range of securities, other financial instruments, private investments and other assets throughout the world including, without limitation, equity, master limited partnerships, private equity, debt, bonds and other fixed-income securities, loans and loan participations, asset-backed securities, currencies, commodities, futures, forward contracts, warrants, options, swaps, reinsurance contracts and other instruments and other derivative instruments. We and the Underlying Managers also may employ leverage and engage in various hedging strategies.

We also may invest directly in securities, financial instruments, private investments and other assets. Direct investments may be made to, among other things, express our views regarding an attractive investment opportunity or to effect a desired hedge.

We consider various factors when making investment decisions including, without limitation, appropriate diversification and correlation among current and prospective investments, liquidity terms that are appropriate for the strategy, appropriate fee structures and appropriate alignment of interests between our client, us and/or Underlying Managers.

The investment strategies summarized above are not intended to be comprehensive. With respect to each of the Funds, the information set forth above is qualified in its entirety by the information set forth in its applicable offering and governing documents. For more information regarding the investment strategies and processes of each Fund, please refer to the applicable offering and governing documents.

CERTAIN RISK FACTORS

There can be no assurance that clients will achieve their investment objectives or that investments will be profitable. Our investment strategies involve a substantial degree of risk, including risk of complete loss. Nothing in this brochure is intended to imply, and no one is or will be authorized to represent, that our investment strategies are low risk or risk free. Our investment strategies are appropriate only for sophisticated persons who fully understand and are capable of bearing the risks of investment. The various risks outlined below are not the only risks associated with our investment strategies and processes and will not necessarily apply to each client or investor. With respect to the Funds, the following risks are qualified in their entirety by the risks set forth in the applicable offering documents.

Real Estate Funds

Risks of Real Estate Ownership. There can be no assurance that the operations of the Real Estate Funds will be profitable or that cash from operations will be available for distribution to limited partners. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of real property interests. The marketability and value of the real property interests will depend on many factors beyond our control, including, without limitation: (i) changes in general or local economic conditions and conditions of domestic and international financial markets; (ii) changes in supply of or demand for competing properties in an area, including competition for real property interests; (iii) changes in interest rates; (iv) the promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety; (v) unavailability of mortgage funds which may render the construction, leasing, sale or refinancing of a property difficult; (vi) the financial condition of tenants, buyers and sellers of properties; (vii) changes in real estate tax rates and other operating expenses; (viii) the imposition of rent controls; (ix) energy and supply shortages; (x) various uninsured or uninsurable risks; and (xi) acts of God, natural disasters and uninsurable losses. Since investments in real estate generally are not liquid, there is no assurance that there will be a ready market for real property interests. Competition for investments may have the effect of increasing costs, thereby reducing investment returns to the Real Estate Funds.

Unforeseen Acquisition Results. Acquisitions made by the Real Estate Funds may not prove to be successful. The Real Estate Funds may encounter unanticipated difficulties and expenditures relating to any acquired properties, including contingent liabilities. The Real Estate Funds may never realize the anticipated benefits of an acquisition, which could adversely affect their ability to dispose of properties or make distributions to limited partners.

Possible Lack of Diversification. While diversification is an objective of the Real Estate Funds, there is no assurance as to the degree of diversification that will actually be achieved in the Real Estate Funds' investments either by geographic region or property type. The Real Estate Funds may participate in a limited number of investments and, as a consequence, the aggregate return of the Real Estate Funds may be substantially adversely affected by the unfavorable performance of even a single investment. If we make an investment in a single transaction with the intent of refinancing or selling a portion of the investment, there is a risk that we will be unable to successfully complete such a financing or sale. This could lead to increased risk as a result of the Real Estate Funds having an unintended long-term investment and reduced diversification.

Foreign Investments. Subject to the terms and conditions set forth in the applicable offering memorandum, we may make investments in foreign countries. With any investment in a foreign country, there exists the risk of adverse political developments, including nationalization, confiscation without fair compensation or war, economic problems and particular legal or regulatory risks. Furthermore, any fluctuation in currency exchange rates will affect the value of investments in foreign securities or other assets and any restrictions imposed to prevent capital flight may make it difficult or impossible to exchange or repatriate foreign currency. In addition, laws and regulations of foreign countries may impose restrictions or approvals that would not exist in the United States and may require financing and structuring alternatives that differ significantly from those customarily used in the United States. Foreign countries also may impose taxes on the Real Estate Funds and/or the limited partners.

Risks of Developing Property. Property development activities include, among others, the risks that we may abandon development projects after expending resources, construction costs of a project may exceed original estimates, occupancy rates and rents at a newly completed property may be less than anticipated and the construction and leasing of a property may not be completed on schedule. Development activities are also subject to risks relating to the inability to obtain, or

delays in obtaining, all necessary zoning, land-use building, occupancy and other required government permits and authorizations.

Investment in Troubled Assets. We may make substantial investments in nonperforming or other troubled assets that involve a degree of financial risk and there can be no assurance that a Real Estate Fund's internal rate of return and/or cash multiple of invested capital 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 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 the Real Estate Funds and distributions by the Real Estate Funds to the limited partners 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.

Leverage of Investments. We may leverage the Real Estate Funds' investments with non-recourse debt financing, subject to customary non-recourse carve-outs. A Real Estate Fund also may obtain recourse debt financing in select situations such as a completion guarantee for development projects and it may provide, or have a subsidiary provide, guarantees for such carve-outs. Although the use of leverage may enhance returns and increase the number of investments that can be made, it also may substantially increase the risk of loss. Additionally, use of leverage on any particular investment will increase the exposure of such investment to adverse economic factors such as rising interest rates, severe economic downturns or deterioration in the condition of the real estate investment or its market. In the event a real estate investment is unable to generate sufficient cash flow to meet its principal and interest payments on its indebtedness, the value of a Real Estate Fund's equity investment in such real estate investment could be significantly reduced or even eliminated. Borrowings under a proposed credit facility may be secured, among other things, by the interests of the limited partners in the Real Estate Funds and by their obligations to make capital contributions. Any inability of the Real Estate Funds to repay such borrowings could enable a lender to take action against the limited partners.

Illiquidity of Investments. Real estate investments made by the Real Estate Funds are generally illiquid. Dispositions of such investments also may be subject to limitations on transfer or other restrictions that would interfere with the subsequent sale of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In addition, we may invest in securities of privately held companies for which there is no public market. The Real Estate Funds will generally not be able to sell these securities unless such securities are registered under applicable securities laws or unless an exemption from such registration requirements is available. In some cases, the Real Estate Funds may be prohibited by contract from selling securities for a period of time. There is also the risk that the Real Estate Funds will be unable to dispose of such securities at attractive prices or otherwise execute a successful exit strategy.

Third-Party Involvement. The Real Estate Funds may co-invest through partnerships, joint ventures or other entities with third parties that may have economic or business interests or objectives that are different than or conflict with those of the Real Estate Funds. Such co-investments may involve risks in connection with such third-party involvement, including the possibility that a third party co-investor may have financial difficulties, resulting in a negative impact on the investment, may have economic or business interests or objectives that are different than or conflict with those of the Real Estate Funds, or may be in a position to take (or block) actions contrary to the Real Estate Funds' investment objectives.

Loans by the Real Estate Funds. In connection with seeking investment opportunities, a Real Estate Fund may make one or more loans to investments. Any such loan made by a Real Estate Fund involves the risk of loss of the entire amount of such loan. Moreover, it is possible that any contemplated follow-on investment with respect to an investment may not occur,

limiting such Real Estate Fund's ability to share in future appreciation with respect to such investment. In addition, by making such loans, a Real Estate Fund may be subject to various laws and regulations applicable to lenders and the holding of such loans could potentially subject such Real Estate Fund to "lender liability" risks.

Securities Funds and Advisory Accounts

General Economic and Market Conditions. The success of our activities will be affected by general economic and market conditions, such as changes in interest rates, availability of credit, inflation rates, economic uncertainty, commodity shortages/prices, relative changes in currency valuations, changes in laws, trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors and others may affect the level and volatility of securities prices and the liquidity of our clients', the Underlying Accounts' and the Underlying Funds' investments. Volatility and/or illiquidity could impair our clients', the Underlying Accounts' and the Underlying Funds' profitability or result in losses. Our clients, the Underlying Accounts and Underlying Funds could incur material losses even if we and Underlying Managers react quickly to difficult market conditions, and there can be no assurance that our clients, the Underlying Accounts and the Underlying Funds will not suffer material losses and other adverse effects from broad and rapid changes in economic and market conditions in the future. Investors should realize that markets for the investments in which our clients, the Underlying Accounts and the Underlying Funds seek to invest can correlate strongly with each other at times or in ways that are difficult for us and the Underlying Managers to predict. Even a well-analyzed approach may not protect our clients, the Underlying Accounts and the Underlying Funds from significant losses under certain market conditions. No guarantee or representation is made that our or the Underlying Managers' investment programs will be successful.

Potential for Fraud. Although we intend to conduct due diligence evaluations and investigations on all prospective Underlying Funds, Underlying Managers and other investments, there is a risk that we will be subject to fraud. Recent discoveries of fraud in the banking and financial services industry highlight the seriousness of this issue. The scope and long-term nature of such frauds is a testament to how difficult fraud is to detect and prevent. There is no assurance we will be able to prevent all types of fraud by parties with whom we and our clients transact business.

Multiple Levels of Expense. We and the Underlying Managers impose management/advisory fees and other administrative fees and expenses. In addition, many Underlying Managers also impose performance-based fees or allocations on realized and unrealized appreciation in the value of client assets. If an Advisory Account client (other than an individual retirement account) invests in a Real Estate Fund, it will be required to pay to us and/or our affiliates, in addition to the advisory fees otherwise applicable to the Advisory Account, the management fees and carried interest distributions charged at the Real Estate Fund level. This results in greater expense and less return on investment than if such fees and expenses were not charged. In addition, performance-based allocations or fees could give Underlying Managers an incentive to make investment decisions that are more risky or speculative than they might otherwise have made without such arrangements. The multiple levels of fees and expenses will reduce overall profitability.

Valuation Risks. We generally expect to value client accounts based upon valuations of underlying investments provided by Underlying Managers, custodians and other third-parties unless we (i) know or reasonably believe such values are materially inaccurate or (ii) reasonably believe that the use of alternate valuations is appropriate. We generally will not have sufficient information in order to be able to confirm or review the accuracy of valuations provided by Underlying Managers and other third-parties. Furthermore, valuations received from Underlying Managers and other third-parties may be estimates only, and such valuations generally will be used to calculate the net asset value and management fee accruals (to the extent applicable) in respect of client accounts to the extent that current audited information is not

available. Such valuations may be subject to later adjustment based on valuation information available at that time, including, without limitation, as a result of year-end audit adjustments.

We generally expect to rely on the valuation information most recently provided by an Underlying Manager to us and any other factors deemed relevant by us at the time of such valuation (except to the extent we know or reasonably believe that such valuations are materially inaccurate). Such determination may be materially inaccurate, including because the information available to us was insufficient, inaccurate or out of date. It is not expected that we will make adjustments to correct such determinations to reflect information that becomes available to us at a later date, although we may make such adjustments in our sole discretion.

In certain situations, we may value assets internally instead of relying on one or more third parties as described above. Assets are typically valued internally when we know or reasonably believe that third party valuations are materially inaccurate, when we believe that the use of alternate valuations is appropriate, for co-investments made by clients for which third party valuations may not be available and in circumstances where we fail to receive valuations from Underlying Managers. In such situations, we will attempt to use consistent and fair valuation criteria and may obtain independent appraisals and valuations at a client's expense.

Unlimited Range of Strategies. Our investment activities are not limited to the strategies or types of strategies described herein. Rather, we may pursue any investment strategy determined by us to be appropriate from time to time, in our sole discretion, without any notice to investors or clients (in accordance with the applicable offering and governing documents). This unlimited range of potential investments may include substantial investments in strategies not previously pursued by us and with which we and our personnel have limited experience. New strategies, assets and markets are likely to involve material and as-yet unanticipated risks. Furthermore, since our clients invest a substantial portion of their assets in the Underlying Funds and the Underlying Accounts, our clients' performance depends to a significant degree on the strategies and activities of the Underlying Funds, Underlying Accounts and Underlying Managers (which will change from time to time). There can be no assurance that any of the investment strategies pursued by or on behalf of our clients will be successful.

Limited Diversification and/or Risk Management Failures. Our clients' portfolios could become significantly concentrated in a limited number of Underlying Funds, Underlying Accounts, issuers, types of financial instruments, assets, industries, sectors, strategies, countries, or geographic regions, and any such concentration of risk may increase losses. Limited diversification could expose clients to losses disproportionate to market movements in general.

Equity Risks. The value of equity and equity-linked securities will vary with the performance of issuers and movements in the equity markets generally and for specific sectors. Not all positions can or will be hedged by us and/or the Underlying Managers.

Private Equity Investments. Investments in private portfolio companies and other private equity assets are generally illiquid and involve a significant degree of financial and/or business risk. Portfolio companies may be highly leveraged and therefore may be more sensitive to adverse business or financial developments or economic factors. The profitability and survival of portfolio companies may depend on various factors including: their ability to access sufficient sources of debt and/or financing at attractive rates, competition, changing business or economic conditions or other developments, stage of development, management team, ability to generate cash flow to meet expenses and working capital requirements, make principal and interest payments on indebtedness, or make other required payments on commitments.

Distressed Securities. We and the Underlying Managers may invest in obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems and “below investment-grade” debt securities, including companies involved in covenant or payment default or in bankruptcy or other reorganization and liquidation proceedings. It may be difficult to obtain information as to the true condition of such issuers and adverse interest rate movements and changes in the general economic climate or particular industries may have an inordinate impact on distressed securities. Additionally, such investments also may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court’s power to disallow, reduce, subordinate or disenfranchise particular claims.

Master Limited Partnership Risk. An investment in a master limited partnership (“MLP”) unit involves risks that differ from those associated with investments in similar equity securities, such as common stock of a corporation. Holders of MLP units usually have the rights typically afforded to limited partners in a partnership, and as such have limited control and voting rights on matters affecting the partnership. In addition, there is the risk that an MLP could be, contrary to its intention, taxed as a corporation, resulting in decreased returns from such MLP. Further, conflicts of interest may exist between common unit holders, subordinated unit holders and the general partner of the MLP, including those arising from incentive distribution payments.

Energy Sector Risks. Companies operating in the energy sector may be affected by fluctuations in the prices of energy commodities, including, for example, natural gas, natural gas liquids, crude oil and coal, in the short- and long-term. Fluctuations in energy commodity prices would directly impact companies that own such energy commodities and could indirectly impact companies that engage in transportation, storage, processing, distribution or marketing of such energy commodities. Fluctuations in energy commodity prices can result from changes in general economic conditions or political circumstances (especially of key energy-consuming countries), market conditions, weather patterns, domestic production levels, volume of imports, energy conservation, domestic and foreign governmental regulation, international politics, policies of the Organization of Petroleum Exporting Countries (“OPEC”), taxation, tariffs, and the availability and costs of local, intrastate and interstate transportation methods.

Derivatives. We and the Underlying Managers may use derivative instruments, including (among others), options (including speculative positions such as buying and writing call options and put options on either a covered or an uncovered basis), futures, forward contracts, repurchase agreements, reverse repurchase agreements and many different types of swaps involving payments based on a wide range of risks.

In many cases, derivatives provide the economic equivalent of leverage by magnifying the potential gain or loss from an investment in much the same way that incurring indebtedness would. Many derivatives provide exposure to potential gain or loss from a change in the market price of a financial instrument (or a basket or index) or other event or circumstance in a notional amount that greatly exceeds the amount of cash or assets required to establish or maintain the derivative contract. Accordingly, relatively small price movements in the underlying financial instruments or other events or circumstances may result in immediate and substantial losses. In some cases, our clients’, the Underlying Accounts’ and the Underlying Funds’ exposure under a derivative contract will be limited to the amount invested (for example, when we or an Underlying Manager buy a call option). In other cases, the derivative contract will create an open-ended obligation (for example, when we or an Underlying Manager write a call option). Many derivatives, particularly those negotiated over-the-counter, are substantially illiquid or could become illiquid under certain market conditions. As a result, it may be difficult or impossible to determine the fair value of our clients’ or an Underlying Account’s or Underlying Fund’s interest in such contracts. Many derivative contracts involve exposure to the credit risk of the counterparty, because our clients, the

Underlying Accounts and the Underlying Funds acquire no direct interest in the underlying financial instrument, but instead depend on the counterparty's ability to perform under the contract. Further, if and when a client, an Underlying Account or an Underlying Fund takes economic exposure through a derivative, it generally will not have any voting rights and may not be able to pursue legal remedies that would be available if it invested directly in the underlying financial instrument.

Many derivatives also involve substantial legal risk and uncertainty, because the terms of the contract may be difficult to draft, apply, interpret and enforce, particularly in the context of unforeseen market conditions or events. In many cases, the counterparty has discretion (either pursuant to the express terms of the contract or in practice) to interpret the contract, make required calculations and demand or withhold payments in the manner most favorable to the counterparty and most unfavorable to our clients, the Underlying Accounts or the Underlying Funds. An adverse interpretation or calculation under one derivative contract could trigger cross-defaults with other contracts and could have a materially adverse effect on our clients', Underlying Accounts' or Underlying Funds' liquidity and performance. Any dispute concerning a derivative contract could be expensive and time consuming to resolve, particularly given the potential for complex and novel legal issues and the involvement of multiple legal jurisdictions. Even a favorable resolution could come too late to prevent cross-defaults, trading losses and material liquidity problems.

High-Yield Instruments. High yield instruments are generally not exchange-traded and, as a result, these instruments trade in the over-the-counter marketplace, which are less transparent than the exchange-traded marketplace. High-yield instruments face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt instruments tend to reflect individual corporate developments to a greater extent than do higher-rated instruments which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated instruments. Companies that issue such instruments are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such instruments and may have an adverse impact on the value of such instruments. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default of such instruments.

Futures Contracts and Related Options. The use of futures (i.e., commodity futures) and options on futures involves certain special and significant risks. Futures and options transactions involve costs and may result in losses. Certain risks arise because of the possibility of imperfect correlations between movements in the prices of futures and options and movements in the prices of the underlying securities, securities index, currencies or other commodities or of the securities or currencies in a portfolio which are the subject of the hedge (to the extent the client or an Underlying Manager uses futures and options for hedging purposes). The successful use of futures and options further depends on our and the Underlying Managers' ability to forecast market or interest rate movements correctly. Other risks arise from potential inability to close out futures or options positions, and there can be no assurance that a liquid secondary market will exist for any futures contract or option at a particular time. The use of futures and options for purposes other than hedging is regarded as speculative. Certain regulatory requirements may also limit our or the Underlying Managers' ability to engage in futures and options transactions.

Forward Contracts. Forward contracts and options thereon, unlike futures contracts, generally are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience

periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in forward markets due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which we would otherwise recommend, to the possible detriment of our clients, the Underlying Accounts and the Underlying Funds. Market illiquidity or disruption could result in significant losses.

Options. We and/or the Underlying Managers may utilize options. Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Although an option buyer's risk is limited to the amount of the original investment for the purchase of the option, an investment in an option may be subject to greater fluctuation than is an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying securities may fall below the exercise price. The ability to trade in or exercise options may be restricted in the event that trading in the underlying securities interest becomes restricted.

Unlike exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of over-the-counter options (options not traded on exchanges) are generally established through negotiation with the other party to the option contract. While this type of arrangement allows greater flexibility to tailor an option to certain needs, over-the-counter options generally involve greater credit risk than exchange-traded options, which are guaranteed by the clearing organization of the exchanges where they are traded.

Swap Agreements. Swap agreements and options on swap agreements are individually negotiated and can be structured to include exposure to a variety of different types of investments, asset classes or market factors. An Underlying Fund, for instance, may enter into swap agreements with respect to interest rates, credit defaults, currencies, securities, indexes of securities and other assets or other measures of risk or return. Depending on their structure, swap agreements may increase or decrease such Underlying Fund's exposure to, for example, long-term or short-term interest rates (in the United States or abroad), non-U.S. currency values, credit spreads, corporate borrowing rates, or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names.

Swap agreements tend to shift our clients', the Underlying Accounts' and the Underlying Funds' investment exposures from one type of investment to another. For example, if an Underlying Fund agrees to exchange payments in dollars for payments in non-U.S. currency, the swap agreement would tend to decrease such Underlying Fund's exposure to U.S. interest rates and increase its exposure to non-U.S. currency and interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of our clients', the Underlying Accounts' and the Underlying Funds' portfolios. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from our clients, the Underlying Accounts and the Underlying Funds. If a swap agreement calls for payments by a client, an Underlying Account or an Underlying Fund, the client, Underlying Account or Underlying Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by our clients, the Underlying Accounts and the Underlying Funds.

Whether our clients', the Underlying Accounts' and the Underlying Funds' use of swap agreements or swaptions will be successful will depend on our and Underlying Managers' ability to select appropriate transactions for our clients, the Underlying Accounts and the Underlying Funds. Swap transactions may be highly illiquid and may increase or decrease the volatility of our clients', the Underlying Accounts' and the Underlying Funds' portfolios. Moreover, our clients', the Underlying Accounts' and the Underlying Funds' bear the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. Our clients, the Underlying Accounts and the Underlying Funds will also bear the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure of our clients, the Underlying Accounts and the Underlying Funds to post or maintain required collateral. Many swap markets are relatively new and still developing. It is possible that developments in the swap markets, including potential government regulation, could adversely affect our clients', the Underlying Accounts' and the Underlying Funds' ability to terminate existing swap transactions or to realize amounts to be received under such transactions.

Repurchase and Reverse Repurchase Agreements. When a client, an Underlying Account or an Underlying Fund enters into a repurchase agreement, it "sells" securities to a broker-dealer or financial institution, and agrees to repurchase such securities on a mutually agreed date for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase transaction, a client, an Underlying Account or an Underlying Fund "buys" securities issued from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the client, Underlying Account or Underlying Fund, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements involve certain risks. For example, if the seller of securities to the client, Underlying Account or Underlying Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the client, Underlying Account or Underlying Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the client's, the Underlying Fund's or the Underlying Manager's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the client, Underlying Account or Underlying Fund may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the client, Underlying Account or Underlying Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.

Hedging Transactions. We and the Underlying Managers may utilize financial instruments both for investment purposes and for risk management (hedging) purposes. The success of the Underlying Accounts' and the Underlying Funds' hedging strategies will depend, in part, upon our and the Underlying Managers' ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of our clients', the Underlying Accounts' and the Underlying Funds' hedging strategies will also be subject to our and Underlying Managers' ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While we and/or the Underlying Managers may enter into hedging transactions in an attempt to reduce risk, such transactions may result in a poorer overall performance for our clients, the Underlying Accounts and the Underlying Funds than if they had not engaged in such hedging transactions. For a variety of reasons, we or Underlying Managers may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent our clients, the Underlying Accounts and the Underlying Funds from achieving the intended hedge or expose the clients, the Underlying Accounts and the Underlying Funds to risk of loss. Neither we nor the underlying funds will be required to hedge any particular risk in connection with a particular transaction or their portfolios generally.

Non-U.S. Investments. Investing in the financial instruments of companies (and, from time to time, governments) outside of the United States involves certain considerations not usually associated with investing in financial instruments of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains or other income, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict investment opportunities.

Currency Exposure. We and the Underlying Managers may invest in the securities of non-U.S. issuers and other instruments denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than the U.S. dollars. We, however, value securities and other assets in U.S. dollars. We and Underlying Managers may seek to mitigate the foreign currency exposure of any investment made in any currency other than the U.S. dollar in order to neutralize, so far as practicable, the impact of fluctuations in the exchange rates.

To the extent un-hedged, the value of our clients', the Underlying Accounts' and the Underlying Funds' positions in non-U.S. investments will fluctuate with U.S. dollar exchange rates as well as the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the U.S. dollar compared to the other currencies in which a client, an Underlying Account or an Underlying Fund makes its investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of the client's, the Underlying Account's or the Underlying Fund's securities in their local markets and may result in a loss. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on our clients', the Underlying Accounts' and the Underlying Funds' non-U.S. dollar investments. Our clients, the Underlying Accounts and the Underlying Funds may incur costs in connection with conversions between various currencies.

Corporate Debt. We and the Underlying Managers may invest in bonds, notes, debentures or other debt instruments issued by corporations. These instruments may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. We and the Underlying Managers may invest in corporate debt instruments that have experienced or are contemplated to experience ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. Credit ratings evaluate the safety of the principal and interest payments, not the market value risk of lower-rated instruments. Such ratings also do not reflect macroeconomic or systemic risk, including the risk of increased illiquidity in the credit markets. It is also possible that a rating agency might not change its rating of a particular issue on a timely basis and, as a result, outstanding ratings may not reflect the issuer's current credit standing. Conversely, rating agencies may re-rate an instrument which could cause substantial loss as the ratings are downgraded. Our clients', the Underlying Accounts' and the Underlying Funds' investments may experience significant credit rating volatility. In addition, our clients, Underlying Accounts and Underlying Funds may be paid interest in kind in connection with their investments in corporate debt and related financial instruments (e.g., the principal owed to a client, an Underlying Account or an Underlying Fund in connection with a debt investment may be increased by the amount of interest due on such debt investment). Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, our clients, the Underlying Accounts and the Underlying Funds may experience substantial losses.

Short Selling. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows

clients to profit from a decline in the price of a particular security to the extent that such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which our clients, the Underlying Accounts and the Underlying Funds engage in short sales will depend upon our and the Underlying Managers' investment strategies and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to our clients, the Underlying Accounts or the Underlying Funds of buying those securities to cover the short position. There can be no assurance that our clients, the Underlying Accounts and the Underlying Funds will be able to maintain the ability to borrow securities sold short. In such cases, a client, an Underlying Account or an Underlying Fund can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the security necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Illiquid Instruments. Many investments made or recommended by us and the Underlying Managers (including interests in Underlying Funds) will be illiquid and will not provide current income. Investments may be restricted, at any given time, as to their transferability under U.S. securities laws and we and/or the Underlying Managers may be prohibited by contract from selling certain investments, as applicable, for a period of time or otherwise be restricted from disposing of such investments. In some cases, a substantial length of time may be required in order to liquidate investments. Consequently, there is a significant risk that we and/or the Underlying Managers will be unable to sell or otherwise dispose of their investments at attractive prices, or will otherwise be unable to complete any exit strategy with respect to their investments. These risks can be further exacerbated by changes in national or international economic or market conditions and changes in laws, regulations, fiscal policies or political conditions of the United States and other jurisdictions. Securities of small and medium capitalization companies may be thinly traded, resulting in decreased liquidity.

Default and Credit Risks. Debt obligations of corporate and government issuers involve the risk that the obligor either cannot or will not fulfill its obligations under the terms of the financial instrument. We, the Underlying Managers, our clients, the Underlying Accounts and the Underlying Funds will assume credit risk to their brokers, custodians and other counterparties in connection with brokerage arrangements, derivatives and other contractual relationships. In evaluating credit risk, we, the Underlying Managers, our clients, the Underlying Accounts and the Underlying Funds will often be dependent upon information provided by the obligor, which may be materially inaccurate or fraudulent. Any actual default, or any circumstance that increases the possibility of such a default, could have a material adverse effect on our clients, the Underlying Accounts and the Underlying Funds.

Interest Rate Risks. Debt securities and various other assets, as well as our clients', the Underlying Accounts' and the Underlying Funds' borrowings, will subject such persons to risks associated with movements in interest rates.

Leverage Risks. The Funds and the Underlying Funds generally have the power to borrow funds and employ leverage as and when they deem appropriate. The use of such leverage can, in certain circumstances, increase the volatility of client performance and the risk of loss.

Counterparty Risks. Our clients may be exposed to the credit risk of counterparties with which, or the brokers, dealers, custodians and exchanges through which, we or they deal in connection with the investment of assets, whether engaged in exchange-traded or privately negotiated transactions.

Co-Investments with Third Parties. Our clients may co-invest (directly or indirectly) with third parties through joint ventures or other arrangements. Such investments may include risks in connection with such third party involvement resulting in

negative impact on such investment, including the possibility that a third party co-venturer may have financial difficulties, may have economic or business interests or goals that are inconsistent with those of our clients or may be in a position to take (or block) action in a manner contrary to the investment objectives of our clients.

Reinsurance Risks. We and various Underlying Managers and/or Underlying Funds may pursue reinsurance strategies which underwrite and/or invest in reinsurance contracts and other investments that are exposed to a variety of natural and man-made insurance risk exposures, such as storms, earthquakes, fires, floods, aviation or marine accidents, crop insurance and acts of terror, among other risk exposures. In exchange for bearing these risks, reinsurance strategies typically receive premiums from counterparties on a periodic basis. There can be no assurance that Underlying Managers or reinsurance companies will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on such positions. The performance of the reinsurance portfolio and the prices of reinsurance investments may be volatile and a variety of factors that are inherently difficult or impossible to predict, such as domestic or international economic or political developments and man-made or natural disasters, may significantly affect the results of reinsurance activities and the value of a Fund's or an Underlying Fund's investments. If an Underlying Fund or a subsidiary thereof is considered a "private foreign investment company" for U.S. federal income tax purposes, a U.S. person who owns directly or indirectly any shares or other interests in such Underlying Fund or subsidiary thereof will be subject to certain adverse U.S. federal income tax consequences.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS ASSOCIATED WITH OUR OR THE UNDERLYING MANAGERS' INVESTMENT STRATEGIES OR THAT ARE APPLICABLE TO OUR CLIENTS AND/OR THE FUNDS. PROSPECTIVE CLIENTS AND INVESTORS SHOULD READ THIS BROCHURE AND ALL OTHER APPLICABLE DISCLOSURE MATERIALS IN THEIR ENTIRETY BEFORE MAKING ANY INVESTMENT DECISIONS.

ITEM 9: DISCIPLINARY INFORMATION

Not applicable.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

MATERIAL RELATIONSHIPS WITH AFFILIATED AND OTHER PERSONS

We are affiliated and share office space, service providers and certain employees with Crow Family Holdings, a family office established exclusively to manage the wealth and direct the investments of the Trammell and Margaret Crow family. We intend to keep our business activities and operations separate and independent from the business activities and operations of Crow Family Holdings and have established procedures and guidelines in an attempt to segregate our activities from the activities of Crow Family Holdings. Notwithstanding the foregoing, the activities of Crow Family Holdings and the Crow family may present actual or potential conflicts of interest, including, but not limited to, the conflicts discussed in this brochure.

In addition to the foregoing, certain of our affiliates act as general partners of the Funds (as described below).

Crow Family Holdings currently owns minority equity interests in certain general partners and promote partners of private investment funds (collectively, the "RR Funds") managed by RR Advisors, LLC, a private investment management firm owned and controlled by Robert J. Raymond ("RR Advisors"). Among other things, Crow Family Holdings is entitled to

receive a portion of the performance-based fees and/or allocations that are paid or allocated by the RR Funds to the applicable promote partners. In addition, an affiliate of Crow Family Holdings provides certain administrative and back-office services to the general partners of the RR Funds, pursuant to a services agreement. Neither we nor any of our affiliates are responsible for providing investment advisory services with respect to the RR Funds.

As a result of the foregoing, we may, due to our affiliation with Crow Family Holdings, have an incentive to recommend investments in the RR Funds to our clients and may face other actual and potential conflicts of interest with respect thereto. We will attempt to manage these conflicts in accordance with fiduciary requirements and applicable law (which may include disclosure and consent).

We make and recommend investments in private pooled investment vehicles and registered investment companies managed by AQR Capital Management, an investment management firm in which David Kabiller, a member of the Board of Directors of Crow Family Holdings, is a founding principal. In light of our affiliation and relationship with Crow Family Holdings, we may be directly or indirectly incentivized to make and recommend such investments on behalf of our clients.

Pursuant to an agreement between us and Comerica Bank & Trust, N.A. ("Comerica"), we may from time to time introduce or refer certain of our clients to Comerica for the purpose of providing a variety of professional fiduciary services with respect to such clients and for which Comerica may, at the option of each such client, act as fiduciary or agent and perform functions related thereto. We will not receive any fees or other compensation from Comerica in connection with this arrangement.

We have entered into an agreement with CB Fund Services to provide accounting and other services with respect to the Real Estate Funds. CB Fund Services is operated by one of our former employees and we have determined that the knowledge and experience such former employee has accumulated with respect to our business is most suitable for the provision of such services. CB Fund Services leases office space and certain equipment from us and receives certain services from us which are available to our other employees. In addition, CB Fund Services performs certain services for Crow Family Holdings and us, and the cost of such services are borne by Crow Family Holdings and us, as applicable.

RELATED SERVICE PROVIDERS

Both we and Crow Family Holdings will provide various administrative and support services to the other. The administrative and support services provided by Crow Family Holdings to us include, among other things, maintaining office facilities, furnishing the services of certain personnel on a part-time basis, and furnishing certain administrative services and office supplies. The administrative and support services provided by us to Crow Family Holdings include, among other things, furnishing the services of certain personnel on a part-time basis.

Notwithstanding the foregoing, all decisions, recommendations, consents and other determinations (including all investment advisory decisions made with respect to our investment advisory clients) will be made exclusively by us in accordance with the terms of the applicable investment advisory agreements, and not by Crow Family Holdings or any of its affiliates.

RECEIPT OF COMPENSATION AND OTHER BENEFITS

We manage client accounts that allocate assets to and/or make investments in Underlying Funds, Underlying Accounts and Underlying Managers through various means. In addition, many Advisory Account clients will invest in the Securities Funds

and may also invest in one or more Real Estate Funds, which are managed and operated by us. No additional asset-based advisory fee will be charged by us to Advisory Account clients at the Securities Fund level (although such clients generally will be responsible for their pro rata share of the fund expenses of such Securities Funds (including fees and expenses charged by Underlying Funds and Underlying Managers in and with which the Securities Funds invest)) and we generally are not entitled to receive any performance-based compensation with respect to any Securities Fund other than CHCP Direct Investors and CHC Elements. However, if an Advisory Account client (other than an individual retirement account) invests in a Real Estate Fund, it will be required to pay to us and/or our affiliates the management fees and carried interest distributions charged at the Real Estate Fund level and, in addition, may be required to pay advisory fees on such commitment amount. As a result of these additional fees and carried interest distributions, we have a financial incentive to recommend investments in CHCP Direct Investors, CHC Elements and the Real Estate Funds. **See Item 5.**

Our interests and the interests of our personnel and affiliates may create potential conflicts in the selection of Underlying Funds and Underlying Managers for client accounts. We make determinations regarding which Underlying Funds and Underlying Managers to make available to clients consistent with our fiduciary duties and the investment processes summarized in **Item 8**. We, our affiliates or our advisory clients may derive ancillary benefits from certain decisions made or transactions entered into in respect of or with certain Underlying Funds and Underlying Managers. It is expected that Crow Family Holdings and persons or entities with which we have business relationships (including advisory clients) will or may receive various forms of compensation, payments, remuneration, investment activity, services and/or other benefits from certain Underlying Funds and Underlying Managers to which our clients allocate assets or make investments, or may have interests in such Underlying Funds and Underlying Managers or their businesses and/or provide products and services to them for compensation. The amount of such compensation, payments, remuneration, investment activity, services or other benefits to Crow Family Holdings and such other persons or entities may be greater if we select such Underlying Funds and Underlying Managers than it would otherwise have been had other Underlying Funds or Underlying Managers been selected that might also have been appropriate for client accounts. Certain of our officers and employees may serve as trustees for one or more of our advisory clients or other third parties.

We act as investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with fiduciary standards. We will face potential conflicts in making determinations as to whether client accounts should invest or withdraw funds from Underlying Funds and Underlying Managers with which we, advisory clients and/or any of our or their respective affiliates have business relationships. For example, Crow Family Holdings and advisory clients have equity, profits or other interests in various Underlying Funds or Underlying Managers (or the general partners or managers or sponsors thereof). Payments to Crow Family Holdings and applicable advisory clients will generally increase as the amount of assets managed by such Underlying Managers increase. Therefore, investment by clients in Underlying Funds and/or with Underlying Managers where Crow Family Holdings or advisory clients have a fee and/or profit sharing arrangement or other interest in the equity or profits of such Underlying Managers may result in additional revenues to Crow Family Holdings or advisory clients. We also may cause clients to enter into transactions with persons or entities with which we, our affiliates or our advisory clients have material or significant business or personal relationships. The relationship we, Crow Family Holdings, our affiliates, client accounts or other accounts have with Underlying Managers also may result in us directly or indirectly being incentivized to increase client investments with such Underlying Managers or in Underlying Funds or to maintain investments with such Underlying Managers or Underlying Funds. We will attempt to manage these conflicts in accordance with fiduciary requirements and applicable law (which may include disclosure and consent).

COMMODITY POOL OPERATOR, COMMODITY TRADING ADVISER, FUTURES COMMISSION MERCHANT REGISTRATION

Neither we nor any of our affiliates currently is registered with the CFTC as a commodity pool operator and/or commodity trading advisor pursuant to exemptions provided by CFTC Rule 4.13(a)(3) and Section 6m(3) of the Commodity Exchange Act, as amended, and No-Action Relief provided by CFTC No-Action Letter No. 12-38. Nevertheless, we and/or certain of our affiliates may register or be required to register with the CFTC as a commodity pool operator with respect to one or more of our clients in the future depending upon the applicable facts and circumstances. While we currently have an application pending to register with the CFTC as a commodity pool operator, and therefore certain of our employees have corresponding applications pending to register as Associated Persons, such applications are currently on hold pending the issuance of revised guidance by the CFTC or our decision to register as a commodity pool operator with the CFTC.

OTHER ACTIVITIES AND AFFILIATIONS

From time to time, certain of our employees and affiliates may serve as directors and officers of, and provide advice to, privately held or publicly traded companies in which our clients invest. Clients should be aware that the receipt of non-public information by our related persons regarding these companies could preclude us from effecting discretionary transactions on behalf of clients in certain securities of these issues.

In addition, we may from time to time engage third-parties to provide certain consulting and strategic advisory services with respect to us and/or our affiliates. In consideration of such services, we may provide office space, administrative support and other benefits to such persons.

AFFILIATED GENERAL PARTNERS

Certain of our affiliates serve as the general partners of the Funds. Each of Crow Holdings Realty Advisors IV, L.P., Crow Holdings Realty Advisors V, L.P., Crow Holdings Realty Advisors VI, L.P., Crow Holdings Realty Advisors VII, L.P., Crow Holdings Retail Advisors I, L.P. and Crow Family Holdings Realty Advisors, L.P. (the “Real Estate General Partners”), serves as the sole general partner of one of the Real Estate Funds, and each of Crow Holdings Value Managers, L.L.C., CHCP Global Securities GP, L.L.C., CHCP Value Managers Offshore, Inc., CHCP Private Equity 2011 GP, L.L.C., CHCP Private Equity 2013 GP, L.L.C., CHCP Direct Investors GP, L.L.C. and CHC Elements Fund GP, L.L.C. (the “Securities General Partners” and, together with the Real Estate General Partners, the “General Partners”), serves as the sole general partner of one of the Securities Funds. Each Securities General Partner has delegated exclusive discretionary investment management authority with respect to the applicable Securities Fund to us and the Securities General Partners do not provide any investment advisory services. While each Real Estate Fund has appointed us as its sole investment manager, the Real Estate General Partners may be involved in identifying and monitoring investments recommended or made on behalf of the applicable Real Estate Funds. To the extent necessary and/or appropriate, each of the Real Estate General Partners relies or will rely on our investment adviser registration instead of separately registering as an investment adviser with the SEC under the Advisers Act.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

CODE OF ETHICS

We have adopted and implemented a code of ethics, which sets forth standards of business conduct for our supervised persons. Our code of ethics is designed to educate supervised persons about our philosophy regarding ethics and professionalism, emphasize our fiduciary duties to clients, encourage supervised persons to comply with applicable laws, prevent the misuse of material non-public information, the circulation of rumors and other forms of market abuse and address material conflicts of interest that arise from personal trading by access persons. Subject to the limitations of the code of ethics, access persons may buy and sell securities or other investments for their personal accounts, including investments in the Funds, and may take positions that are the same as, different from, or made at different times than, positions taken directly or indirectly for client accounts. We maintain a list of companies/issuers with respect to which a determination has been made that it is prudent to restrict personal trading activity by certain of our supervised persons (the “Restricted Trading List”). Our code of ethics prohibits applicable supervised persons from trading in securities included on the Restricted Trading List without the prior approval of the Chief Compliance Officer. All access persons must also provide copies of, or otherwise direct their brokers or custodians to supply the Chief Compliance Officer with, (i) brokerage and/or custodial account statements (at least monthly or quarterly, at the same time they are sent to the access person) and (ii) duplicate copies of trade confirmations within 30 days after the applicable transaction. We also maintain certain policies and procedures designed to prevent supervised persons from misusing material non-public information and to address certain actual and potential conflicts of interest that may arise when supervised persons accept, provide, offer or give gifts or entertainment events. We have adopted a political contributions policy to facilitate compliance with rules regarding the political activities of registered investment advisers doing business with government entities (referred to as “pay to play” rules). We will furnish a copy of our code of ethics to clients and investors upon request.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS; OTHER CONFLICTS OF INTEREST

We recommend and make investments in Underlying Funds and other issuers (i) where we, Crow Family Holdings, advisory clients and/or their respective affiliates (including directors of Crow Family Holdings) have economic, business, personal or financial interests in such Underlying Funds, real estate properties, issuers and/or the general partners, sponsors or managers thereof, (ii) to which we, Crow Family Holdings and/or its affiliates provide office space and services, or (iii) from which we, Crow Family Holdings, the Crow family and/or their respective affiliates receive services and products. We may also invest and recommend investments in investment funds and other issuers established, managed or advised by us, advisory clients, persons or entities with which we or our affiliates have material business or personal relationships or any affiliates of such persons. If an Advisory Account client invests in a Fund or another investment fund established or managed by us, advisory clients or our or their respective affiliates, we may have potentially conflicting loyalties and responsibilities regarding the client and such other investment fund, and certain other conflicts of interest may be inherent in the situation. For example, if we invest Advisory Account assets in a Fund, we will be obligated, in connection with making investment decisions for such Fund, to consider the investment and tax objectives of the Fund and its investors as a whole, rather than the investment, tax or other objectives of the Advisory Account client or any single or particular group of investors. We will review each of the foregoing transactions and take such steps as we deem necessary or appropriate to ensure that the terms of transactions are fair and reasonable. We will effect these transactions in accordance with fiduciary requirements and applicable law (which may include disclosure and consent).

Various other actual and potential conflicts of interest exist (or may exist) among us, the applicable general partner(s), their principals, employees and agents, Crow Family Holdings, the Crow family, each of their respective affiliates and one or more of our advisory clients. If any matter arises that we determine constitutes or may constitute a material conflict of interest, we may take such actions as we determine in good faith may be necessary or appropriate to ameliorate or otherwise address or mitigate the conflict, including, without limitation, consulting with or seeking the approval of the client, the applicable advisory committee of a Fund or an independent third party with respect to such conflict. There can be no assurance that we will be able to resolve all conflicts of interest in a manner that is favorable to the applicable client(s).

CROSS AND PRINCIPAL TRANSACTIONS

To the extent permitted by applicable law, we, acting on behalf of our client accounts, may enter into transactions in securities, financial instruments and other assets with ourselves or our affiliates, and may cause client accounts to engage in principal and cross transactions. We may face conflicts of interest that could influence our decision to engage in such transactions for client accounts. Principal transactions may occur if we, on behalf of our client accounts, engage in a transaction in securities or other instruments with ourselves or an affiliate acting as principal. We may earn compensation in connection with these transactions. For example, due to the significant ownership interest currently held by Crow Family Holdings and/or its or our affiliates in each of the Funds, transactions between Advisory Account clients and such Funds may be deemed to be principal transactions under Section 206(3) of the Advisers Act. Cross transactions may occur if we cause a client account to buy securities or other investments from, or sell securities or other investments to, another client account or the account of one of our affiliates. We may have conflicting loyalties and responsibilities to the parties in such transactions, and have developed policies and procedures in relation to such transactions and conflicts. We will review each of the foregoing transactions and take such steps as we deem necessary or appropriate to ensure that the terms of transactions are fair and reasonable, including, without limitation, seeking the approval of the client or the advisory committee of a Fund with respect to such principal transaction. We will effect these transactions in accordance with fiduciary requirements and applicable law (which may include disclosure and consent).

VALUATIONS

We expect to value many investments owned by clients based, to a certain extent, upon valuations of underlying investments provided by Underlying Managers and other third-parties (*i.e.*, we are a “price taker”). To the extent we value securities, financial instruments and other assets in the Securities Funds and Advisory Accounts, we attempt to value such investments at fair value in accordance with our valuation policies and procedures. We may face a conflict with respect to such valuations as they affect our compensation. In addition, to the extent we utilize third-party vendors (administrators or custodians) to perform certain valuation functions, these vendors may have interests and incentives that differ from those of our client accounts. **See “Valuation Risks” in Item 8 above.**

DIFFERENCES AMONG CLIENT ACCOUNTS; OTHER ACTIVITIES

Our decisions and actions may differ among client accounts. Advice given to, or investment or voting decisions made for, one or more client accounts may compete with, affect, differ from, conflict with, or involve timing different from, advice given or investment decisions made for other client accounts.

We also expect that Underlying Managers generally will advise clients in addition to, and engage in activities other than activities related to the management of, the Underlying Funds and Underlying Accounts to which we allocate client account assets. As a result, Underlying Managers may have other interests and relationships which may create a variety of conflicts

similar to or different from the foregoing in relation to the Underlying Funds and Underlying Accounts they manage.

In the course of our activities, including activities on behalf of clients, we may acquire confidential information or otherwise become restricted in our investment activities. In such event, we may not be free to act upon such confidential information in the course of performing our duties for clients, and we may not be able to initiate a transaction for a client that we otherwise would have initiated, with the result being that we are unable to purchase or dispose of a position. Such restrictions would apply even if we were not involved in, and could not have benefitted from, the receipt of such information.

CO-INVESTMENT OPPORTUNITIES

One of our affiliates has established CHCP Direct Investors as a vehicle through which the Securities Funds, investors in the Securities Funds, current or prospective clients, and our employees, officers and directors may participate in certain private equity-related investment opportunities (including co-investment opportunities) that are made available to us, to the extent that such opportunities are not allocated or required to be allocated to another client in accordance with our allocation policies and procedures. One or more of the Securities Funds may invest in a co-investment opportunity indirectly through CHCP Direct Investors. To the extent that an investment opportunity is allocated to CHCP Direct Investors, such investment generally will be made available to advisory clients and existing investors in our funds of private equity funds before being offered to our employees and any other persons. As described in Item 5 above, investors making an initial commitment to CHCP Direct Investors after November 1, 2014 generally may be subject to a carried interest equal to 5% of profits on distributions derived from the disposition of an investment on a deal-by-deal basis (following the return of contributed capital, expenses and a preferred rate of return of 8% to investors). As a result of this carried interest, we may have an incentive to favor CHCP Direct Investors with regard to the allocation of investment opportunities or participation in particular investments.

ITEM 12: BROKERAGE PRACTICES

BROKER SELECTION AND BEST EXECUTION

General

We generally will not have oversight over the selection of broker-dealers by Underlying Managers. To the extent we make direct investments or otherwise direct brokerage, we will select broker-dealers to execute client transactions based primarily on their ability to deliver best execution for our clients. In selecting brokers, we consider various factors including, but not limited to, execution quality, commission rate, responsiveness, the value of any research provided and financial responsibility. The commissions or transaction costs (including spreads) charged by any broker may be greater than the amount another firm might charge if we determine in good faith that the amount of such commission is reasonable in relation to the value of the brokerage services and research provided by the broker.

We have adopted policies and procedures that we believe are reasonably designed to ensure that our clients achieve best execution and that brokers utilized have been selected based on our clients' best interests. We have established a Brokerage Committee that is generally responsible for reviewing brokers utilized, evaluating for conflicts of interest, evaluating the quality of execution services and reviewing any proposed soft-dollar arrangements. The Brokerage Committee will meet on a periodic basis to review trading activity and the quality of the execution received.

Pershing Advisor Solutions

In general, we recommend that Advisory Account clients establish accounts at, and receive custody, clearing, brokerage and other services from, Pershing. Nevertheless, clients are ultimately responsible for deciding whether or not to open custodial accounts at Pershing. We are independently owned and operated and are not affiliated with Pershing.

As compensation for its services, Pershing generally will charge Advisory Account clients a flat rate custody-based fee (the "Pershing Custody Fee") of 3.75 basis points on assets held in their custodial account(s) at Pershing. The Pershing Custody Fee includes trades executed through Pershing either directly or indirectly, but does not include foreign currency trades and certain other items that will be charged directly to clients on a per execution basis. The Pershing Custody Fee is in lieu of transaction-based brokerage commissions, does not vary based on the number or size of trades in client accounts, and does not include fees for trade away execution and services in connection with transactions effected through broker-dealers other than Pershing or its agents/affiliates. Additional fees and expenses may be incurred for transactions executed by a broker-dealer other than Pershing or its agents/affiliates. See **Item 5** above for details about how the Pershing Custody Fee is calculated and debited from accounts.

The appropriateness of the Pershing Custody Fee for any client may depend on a number of factors including, among others, the client's investment objectives and financial situation, our investment strategies and trading patterns, including the frequency of trading and the number and size of transactions. If the number of transactions in an Advisory Account is low enough in any particular period, the Pershing Custody Fee may exceed the commissions that would otherwise have been charged for transactions effected in such period.

Pershing also makes available other products and services that benefit us but may not directly benefit our clients. Some of these other products and services assist us in managing and administering Advisory Accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution; provide pricing information and other market data; facilitate payment of our advisory fees from Advisory Accounts; and assist with back-office functions, recordkeeping and client reporting. Some of these services generally may be used to service all or a substantial number of our clients, including accounts not maintained at Pershing. Pershing also makes available to us other services intended to help us manage and further develop our business enterprise, including publications on information technology, regulatory compliance and marketing.

While we endeavor to act in the best interests of our clients, our recommendation that clients maintain their assets in accounts at Pershing may be based in part on the benefit to us of the availability of some of the foregoing products, services and arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Pershing, which may create a conflict of interest.

SOFT DOLLARS

In addition to execution, we may receive research and research related services from brokers who execute portfolio transactions for our clients. This research generally is used to service all client accounts (to the extent such research is applicable to our clients). We do not formally commit to invest any particular level of commissions to brokers who provide research services and we do not currently intend to enter into any formal soft dollar arrangements. Research or brokerage services by brokers through which portfolio transactions for us are executed may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, online quotations, news and research services, access to an electronic communication network for order entry and account information,

participation in broker-dealer sponsored research and capital introduction conferences and other services providing lawful and appropriate assistance to us in the performance of investment decision-making responsibilities on behalf of clients. We may benefit by not having to produce or pay for research, and receipt of such research or other products or services may create an incentive for us to select or direct more business to particular brokers. We understand that the benefits received through our relationship with broker-dealers generally do not depend upon the amount of transactions directed to, or the amount of assets custodied by, the broker-dealers. We expect that all research reports received in connection with client-related matters will be within the limitations set forth in Section 28(e) of the Securities Exchange Act of 1934, as amended.

In addition to the foregoing, we may purchase research reports and other information from brokers that do not execute portfolio transactions for our clients.

BROKERAGE FOR CLIENT REFERRALS

From time to time we may speak at conferences and programs that are sponsored by one or more of our executing brokers, service providers or other third-parties for investors interested in investing in hedge funds or other investment types. These conferences and programs may provide opportunities for us to be introduced to potential Fund investors or Advisory Account clients. Generally, these third-parties will not be compensated by us, the Funds, or potential investors or clients for providing such “capital introduction” opportunities. These third-parties may, however, provide services to us or the Funds, and such additional services provided by these third-parties, including the opportunity to attend capital introduction events, may influence our decision to use (or continue to use) their services. Underlying Managers may allocate brokerage in return for client referrals, which may raise conflicts of interest.

DIRECTED BROKERAGE

We may from time to time permit our Advisory Account clients to direct the brokers to be used in executing transactions for their accounts. Advisory Account clients should be aware that directing brokerage may prevent us from achieving best execution which may end up costing those clients more money. As described above, we generally recommend that Advisory Account clients utilize the custodial, brokerage and clearing services of Pershing.

ORDER AGGREGATION

We may aggregate or “bunch” trade orders for multiple clients from time to time when it would be in the clients’ best interests to do so. Aggregated orders will be allocated among applicable clients on a fair and equitable basis under the circumstances, but generally *pro rata* per suitable client account. Additionally, aggregated trades are subject to our best execution obligations.

ALLOCATION OF INVESTMENT OPPORTUNITIES

We face actual and potential conflicts of interest when allocating investment opportunities among our various applicable clients and other persons. Except as otherwise set forth below or in the applicable offering and/or governing documents of a Fund, our general policy is to allocate investment opportunities among our various clients in a fair, reasonable and equitable manner.

To the extent a particular investment is deemed to be suitable and appropriate for more than one client, such investment generally may be allocated only to one or more of such client(s) or between one or more of such clients in such manner deemed by us to be fair, reasonable and equitable under the circumstances. In allocating investment opportunities among client accounts for which an investment is deemed to be suitable and appropriate, we generally will consider a variety of factors that are deemed to be relevant or appropriate, which, among others, may include the relative amount of assets dedicated to such opportunity set or the amount of cash then available for investment in each account relative to other anticipated investment opportunities, the types of investments being offered and/or the investment objectives, guidelines and restrictions and risk profiles of each applicable client, with the result being that certain opportunities may not be allocated to certain clients or among such clients on a *pro rata* basis. We or our affiliates may engage in transactions or investments or cause or advise other clients to engage in transactions or investments that may differ from or be identical to the transactions or investments engaged in by us or our affiliates for or the advice given by us with respect to a client's account.

Notwithstanding the foregoing, (i) opportunities to make additional or follow-on investments in certain investments (or to participate in side-by-side investments) in which one of our clients (including Crow Family Holdings) has an existing investment or relationship may be allocated exclusively to such client(s), so long as that client has the capital to make the investment; (ii) the funds of private equity funds managed by us generally are entitled to priority with respect to investment opportunities in private equity funds and other private equity-related investment and co-investment opportunities (including the opportunity to invest alongside one or more of the Underlying Funds and/or their affiliates in an investment) that are identified by, or otherwise made available to, us; and (iii) subject to the terms and conditions set forth in the applicable governing and offering documents, the Real Estate Funds generally have priority with respect to all domestic real estate equity investment opportunities (including indirect investments in real estate through one or more subsidiaries or special purpose vehicles).

For a description of the allocation policies relating to CHCP Direct Investors, see **Item 11**.

TRADE ALLOCATION

When placing orders in the same direction in the same investment at the same time for more than one of our clients, we will generally place orders for all such accounts simultaneously. If all such orders are not filled at the same price, we will, to the extent possible, allocate the trades such that the order for each client is filled at the average price. Similarly, if an order on behalf of more than one client cannot be fully executed under prevailing market conditions, we allocate the trades among different clients on a basis that we consider equitable.

Factors considered when allocating trades among clients include, among others, the factors listed above when determining the allocation of investment opportunities, the avoidance of odd lots or excessive transaction costs relative to a client's size and the need to rebalance positions held by a client due to capital infusions or withdrawals.

Trades must be allocated promptly, usually on the trade date, and no reallocations are permitted from one account to another except where the original allocation was done in error. The partner advisory team, or the supervised person executing the trade(s), document allocation decisions either (i) on the daily order blotter or (ii) a worksheet, saved alongside the daily trade blotter, which will detail participating clients and the manner in which the order was allocated. Partially filled orders generally are allocated *pro rata* based on each client's account size.

TRADE ERRORS

In the course of managing client accounts, we expect trade errors to occur from time to time. Although there is no standard definition of trade errors, they may include a number of situations, such as:

- Trade executions in the wrong direction (i.e., buy vs. sell);
- Purchasing securities not legally permitted for an Advisory Account or Fund, or not within an Advisory Account or Fund's investment guidelines;
- Purchasing or selling the wrong securities or the wrong amount of securities for an Advisory Account or Fund;
- Purchasing or selling securities for the wrong Advisory Account or Fund; or
- Allocating securities to the wrong Advisory Account or Fund.

A trade error, however, does not include errors that are corrected at the broker-dealer level or otherwise corrected prior to settlement.

If a client incurs costs as the result of a trade error, the client generally is required to bear such costs unless the trade error was caused by our gross negligence, willful misconduct or violation of applicable laws or regulations (to the extent permitted by applicable law). Notwithstanding the foregoing, we may elect to bear the costs of any trade error in our sole discretion.

Trading activity is monitored for errors and any errors are reported to the Chief Compliance Officer for further review and recordkeeping.

Notwithstanding the foregoing, we are not responsible or liable for any trade or investment that is directed by a client.

ITEM 13: REVIEW OF ACCOUNTS

REVIEWS OF ACCOUNTS

Real Estate Funds

The investment committee of Crow Holdings Capital – Real Estate generally is responsible for reviewing the activities of the Real Estate Funds and conducts reviews of the Real Estate Funds on at least an annual basis. In addition, the investment committee of Crow Holdings Capital – Real Estate reviews and approves all investment and disposition decisions and financings.

With respect to accounting matters, we have engaged an independent public auditor to conduct an annual audit of each of the Real Estate Funds.

Securities Funds

The investment committee of Crow Holdings Capital – Investment Partners approves new Underlying Funds and new Underlying Managers for the Securities Funds. The securities investment team generally conducts reviews of the Securities Funds, including applicable Underlying Funds and Underlying Managers, on a periodic basis and documents its review of the Securities Funds via update of each Securities Fund’s Tear Sheet, which generally occurs on a monthly or quarterly basis.

With respect to accounting matters, we have engaged an independent public auditor to conduct an annual audit of each of the Securities Funds.

Advisory Accounts

The investment committee of Crow Holdings Capital – Investment Partners approves Advisory Account client platform solutions, which are pre-approved Underlying Funds, Underlying Managers and other investments that may be offered and/or recommended to Advisory Account clients (subject to applicable qualification, suitability and eligibility requirements). Our advisors and operations support team generally monitor Advisory Accounts on a daily basis and review account performance with each Advisory Account client on a periodic basis, generally quarterly.

In managing the Securities Funds and Advisory Accounts, Crow Holdings Capital – Investment Partners generally (i) uses reasonable and appropriate efforts to ensure that investments made by or on behalf of the Securities Funds and Advisory Accounts are consistent with the investment objectives, policies and guidelines set forth in the applicable governing and/or account documents and are consistent with the financial circumstances and risk tolerance of each Advisory Account client and (ii) holds formal and informal meetings on a periodic basis to discuss investment ideas, economic developments, current events, investment strategies and issues related to client investments.

FACTORS TRIGGERING ADDITIONAL REVIEWS

In addition to periodic reviews, additional reviews may be undertaken in response to, among other things, changes in market or economic conditions, changes in Underlying Managers, Underlying Funds or other investments, or changes in a client’s investment objectives or policies.

REPORTS TO INVESTORS/CLIENTS

Real Estate Funds

We provide investors in the Real Estate Funds with quarterly unaudited financial statements (including a balance sheet, income statement and statement of partners’ capital) and annual audited financial statements (including a balance sheet, income statement, and statement of partners’ capital). After the close of each taxable year, we provide investors with tax information for the preparation of their respective federal income tax returns.

Securities Funds

We provide investors in the Securities Funds with periodic net asset value statements, annual financial statements audited by the Fund's independent auditors, Schedule K-1s and any other tax information reasonably requested by an investor. We may provide other reports to investors from time to time. In response to questions and requests and in connection with due diligence meetings and other communications, we may provide additional information to certain investors that is not distributed to other investors. Such investors may make investment decisions with respect to their investment in the Securities Funds based upon such information.

Advisory Accounts

Pershing generally provides each applicable Advisory Account client with monthly account statements that include, among other things, a summary of all activity in that client's account, including all purchases and sales of securities (which generally will reflect subscriptions for, and redemptions or withdrawals of, interests in Underlying Funds), and any debits and credits to the account, a summary of holdings including a portfolio valuation, and the change in value of the account during the reporting period. Pershing and other applicable custodians may also provide other reports, as set forth in the applicable custodial account agreements. In addition, we may provide Advisory Account clients with such reports, notices and letters as we deem appropriate in our discretion and as set forth in the applicable investment advisory agreement with such client, including quarterly fee invoices. **Clients are urged to compare any statements they receive from us or our agents with the statements provided by their custodians.**

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

THIRD-PARTY COMPENSATION

Pershing makes available certain products and services that benefit us but may not directly benefit our clients. For more information, please see **Item 12** above.

Except as set forth in **Item 12**, we currently do not receive any economic benefit from any person who is not a client for providing investment advice or other advisory services to our clients.

REFERRALS

We have entered into and may enter into agreements or arrangements with solicitors who refer investors in the Funds to us. For their referral services, such persons may receive compensation from us (or our affiliates) which may be (i) a percentage of the management fee and/or performance-based fee, (ii) allocation paid to us or our affiliates by such investors and clients, (iii) a percentage of an investor's commitment, or (iv) a flat fee. Investors generally will not be charged any higher or additional fee as a result of such agreements or arrangements. In every instance, all arrangements and payments of referral fees will be disclosed to applicable investors. The names of any solicitors engaged with respect to a Fund are set forth in Section 7.B of Schedule D of Part I of our Form ADV.

ITEM 15: CUSTODY

Funds

We have, or may be deemed to have, custody of each Fund's cash and securities. To the extent required by Rule 206(4)-2 under the Advisers Act, each Fund's cash and securities (other than "privately offered securities," as defined in Rule 206(4)-2 under the Advisers Act) are held with one or more qualified custodians. We may change custodians at any time and from time to time without the consent of, or notice to, investors. An independent public auditor conducts annual audits of the Funds, and audited financial statements (prepared in accordance with generally accepted accounting principles) are provided to investors on an annual basis. We attempt to provide such statements to investors within 120, 180 or 260 days, as applicable, after the end of each fiscal year, but there can be no assurance that we will be successful in this regard. Qualified custodians do not provide statements directly to investors in the Funds.

Advisory Accounts

We may have, or may be deemed to have, custody of an Advisory Account client's cash and securities. We do not intend to have physical possession of the cash or securities in Advisory Accounts at any time. In general, all cash and securities owned by Advisory Account clients will be held by one or more qualified custodians that are appointed by such clients pursuant to separate custody or other agreements. As noted in **Item 12** above, we generally recommend that Advisory Account clients utilize the custodial, brokerage, clearing and other services of Pershing. **Advisory Account clients generally receive account statements directly from Pershing (and/or other applicable custodians) and should carefully review those statements. We urge Advisory Account clients to compare the account statements they receive from their qualified custodian(s) with any statements that they receive from us.**

If we have, or are deemed to have, custody of Advisory Account cash and securities, such cash and securities may (to the extent required by Rule 206(4)-2 under the Advisers Act) be verified by a surprise examination at least once each calendar year by a PCAOB-registered independent public accountant.

ITEM 16: INVESTMENT DISCRETION

DISCRETIONARY AUTHORITY

Funds

We have discretionary power and authority over the types of investments to be bought or sold, as well as the amount to be bought or sold, on behalf of each of the Funds, subject to any limitations set forth in the applicable offering and governing documents.

In addition, we generally have authority to determine the broker-dealer or other counterparty to be used for Fund transactions and the negotiation of commission rates and other consideration to be paid by the Funds.

Advisory Accounts

In many instances, we have full discretionary power and authority to invest and reinvest all or a portion of the funds and assets held in Advisory Accounts. In such instances, we generally expect to have authority (i) over the types of investments to be bought or sold, as well as the amount to be bought or sold, on behalf of Advisory Accounts; and (ii) to determine the broker-dealer or other counterparty to be used for Advisory Account transactions and the negotiation of commission rates and other consideration to be paid by the Advisory Accounts. Each Advisory Account client for which we have investment discretion generally is required to sign an investment advisory agreement that authorizes us to manage and direct the investment and reinvestment of Advisory Account assets, with discretion to make investment decisions on the Advisory Account client's behalf and at the Advisory Account client's risk. Our discretionary authority is limited by the terms of the investment advisory agreements and the investment guidelines, restrictions and limitations imposed on the management of Advisory Accounts by each client.

We also provide and may in the future provide services to Advisory Account clients on a non-discretionary or limited discretionary basis (with respect to all or a portion of the assets in their Advisory Accounts). In such instances, we generally will not be authorized to make any investment decision or implement any transaction with respect to such Advisory Account without the prior approval of the advisory client in each instance. To the extent approved and authorized by such client, we may be authorized to make or implement a transaction or an investment and select the broker, dealer, bank or other counterparty by or through which such transaction will be effected.

LIMITED POWER OF ATTORNEY

Each investor in the Funds generally grants the general partner of the Fund a limited power of attorney to enable the general partner to execute the applicable partnership agreement on its behalf. In addition, each Advisory Account client generally grants us a limited power of attorney to enable us to conduct authorized trading on their behalf.

ITEM 17: VOTING CLIENT SECURITIES

Underlying Managers generally will be responsible for voting with respect to securities held by Underlying Funds and Underlying Accounts.

Real Estate Funds

Each of the Real Estate Funds invests indirectly in real estate and real estate related assets and we generally do not expect to be called upon to vote with respect to securities held by the Real Estate Funds. Nevertheless, in the event that we are called upon to vote securities, we would act in accordance with the policies and procedures set forth in our proxy voting policy (as described below).

Investors in the Real Estate Funds may obtain copies of our proxy voting policy by contacting us.

Securities Funds

Each of the Securities Funds invests primarily in and through Underlying Funds and Underlying Accounts, and we generally are not responsible for voting the underlying investments held or maintained by the Underlying Funds and Underlying Accounts. Nevertheless, we generally do have voting authority with respect to securities that are owned directly by the Securities Funds (including voting with respect to the interests in Underlying Funds held by the Securities Funds). Rule 206(4)-6 under the Advisers Act requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies and procedures. In accordance with such rule, we have adopted proxy voting policies and procedures in our compliance manual. In general, our policy is to vote proxy proposals, amendments, consents or resolutions relating to securities, including interests in Underlying Funds, in a manner that serves the best interests of the applicable Fund, as determined in our discretion, taking into account various factors. We may take no action with respect to a proxy if we reasonably determine that it is in the best interest of a client not to vote the proxy.

Investors in the Securities Funds may obtain copies of our proxy voting policy, together with information regarding how we have voted past proxies, by contacting us.

Advisory Accounts

In general, Advisory Account clients are responsible for voting all proxies with respect to securities in their Advisory Accounts and we do not have any power to vote such proxies. Nevertheless, we may from time to time provide advice or recommendations to Advisory Account clients regarding the voting of proxies. In the event that we do accept (or otherwise have) proxy voting authority on behalf of an Advisory Account, we generally vote proxy proposals, amendments, consents or resolutions relating to Advisory Account securities, including interests in the Securities Funds and Underlying Funds, in accordance with the instructions of the Advisory Account client. We will use commercially reasonable efforts to vote according to the Advisory Account client's request in these circumstances. In the absence of specific voting guidelines or instructions from the Advisory Account client, we will attempt to vote proxies in a manner that serves the best interests of the Advisory Account, as determined in our discretion, taking into account various factors. We may take no action with respect to a proxy if we reasonably determine that it is in the best interest of a client not to vote the proxy.

Advisory Account clients may obtain copies of our proxy voting policy, together with information regarding how we have voted past proxies, by contacting us.

For Advisory Accounts in respect of which we do not have authority to vote proxies, Advisory Account clients should work with their custodians to ensure they receive proxies and other solicitations for securities held in their Advisory Accounts. These Advisory Account clients may contact us if they have questions on any particular solicitation.

ITEM 18: FINANCIAL INFORMATION

We do not have any financial commitment that impairs our ability to meet contractual and fiduciary commitments to our clients, nor have we been the subject of any bankruptcy proceeding.

GENERAL INFORMATION

PRIVACY POLICY

We have adopted policies and procedures that we believe are reasonably designed to protect various records and information of clients and investors and to detect, prevent and mitigate identity theft. Except as set forth in the applicable offering materials, our privacy notice and as otherwise authorized by each client and/or investor, private information about clients and/or investors is disclosed only as permitted by applicable law to our affiliates and service providers, including our accountants, attorneys, brokers, custodians, and transfer agents, and to financial institutions pursuant to joint agreements between such institutions and us. Notice of our privacy policy is provided on an annual basis to clients and investors and is available upon request.

LEGAL PROCEEDINGS

We generally are not responsible for filing claims or otherwise taking any action in connection with class action lawsuits, bankruptcy proceedings, or any other legal or administrative proceeding, in any such case on behalf of a client in connection with any client security holding.