

Grove International Partners LLP

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This brochure provides information about the qualifications and business practices of Grove International Partners LLP (the “Firm”) and its affiliates (“Affiliates” and, together with the Firm, “Grove”). If you have any questions about the contents of this brochure, please contact us at (212) 710-7875. 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.

Additional information about Grove is also available on the SEC’s website at www.adviserinfo.sec.gov.

Registration with the SEC does not imply that Grove or its employees have attained a certain level of skill or training.

Item 2 Material Changes

Since the last annual update of this brochure, dated March 31, 2014, no material changes have occurred.

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Item 4 Advisory Business

The Company

Grove International Partners LLP, a Delaware limited liability partnership, is a global real estate private equity business founded in 1999 and established as an independent firm in 2004. Grove's team of approximately 33 professionals (as of the date of this brochure) operates from offices in New York, Frankfurt, Amsterdam and Tokyo, and advises Grove's Funds (as defined below) on investments in direct real estate as well as real estate-related assets throughout the world.

Red Bull Investments L.L.C., an entity wholly owned and controlled by Richard E. Georgi, is the principal owner of the Firm.

Grove provides investment advisory services to various private investment funds (each, a "Fund" and collectively, the "Funds," but excluding the Alpine Grove Fund (as described below)), which are privately offered to qualified investors. The Funds are typically structured as limited partnerships, and an Affiliate serves as the general partner of each Fund (each, a "General Partner Affiliate,").

The Funds focus on equity and equity-related investments in connection with the acquisition of a controlling interest in direct real estate and real estate-related assets, companies and businesses globally. The relevant General Partner Affiliate targets undervalued, high-growth, complex and/or distressed opportunities for the Funds generally through investment "platforms" or joint ventures operated by third party, experienced real estate and real estate-related business management teams that the General Partner Affiliate believes bring added expertise in specific sectors or regions. These platforms or joint ventures typically invest in properties in the commercial, residential, debt, leisure and hospitality sectors throughout the world.

The partners of Grove have also formed Alpine Grove Partners LP, ("Alpine Grove Partners"), which is an affiliate of Grove. Alpine Grove Partners, working with third party operating partners, offers certain capital partners opportunities to invest in direct real estate investments on a non-discretionary basis. An affiliate of Alpine Grove Partners, Alpine Grove Partners LLC ("Alpine Grove"), is the general partner of AG European Partners LP (the "Alpine Grove Fund"), a private investment fund that provides a small number of qualified private investors an opportunity to invest in Alpine Grove Partners real estate investments on a non-discretionary, investment-by-investment basis.

Types of Advisory Services Offered

Grove's advisory services include identifying and recommending investment opportunities to the Funds and ongoing monitoring and evaluation of the Funds'

investments and potential sale of such investments.

Alpine Grove's advisory services comprise acting as the general partner to the Alpine Grove Fund.

Tailored Advisory Services

Although the General Partner Affiliates utilize a similar strategy for all of the Funds, the advisory services are tailored in accordance with each Fund's investment guidelines as disclosed in such Fund's governing documents. The General Partner Affiliates do not tailor the advisory services to the individual needs of the investors in the Funds.

As general partner of the Alpine Grove Fund, Alpine Grove's services involve giving effect to the fund's investors' determination to invest or not to invest in each underlying real estate investment that is made available to the fund.

Wrap Fee Programs

Neither Grove nor Alpine Grove provide investment advisory services to wrap fee programs.

Assets Managed

As of March 31, 2014, Grove's regulatory assets under management (or "RAUM," as defined for purposes of Form ADV) was approximately \$1.23 billion on a discretionary basis. In addition to the discretionary investment vehicles, Grove manages certain other Funds which permit the investors in such Funds to participate in investments on a deal-by-deal basis. Accordingly, Grove considers these Funds to be managed on a non-discretionary basis. As of March 31, 2014, Grove's RAUM in respect of these Funds was approximately \$380 million.

The Alpine Grove Fund has not yet launched, but is intending to launch with \$15 - \$20 million in commitments.

Item 5 Fees and Compensation

An Affiliate generally receives management fees, carried interest or other similar profit allocations from the Funds. The Funds may also indirectly incur or generate other fees, such as directors' fees, that are payable to the Affiliates, depending on the nature of the Fund's activities. The specific governing documents for each Fund set forth the fee arrangement for such Fund.

From time to time, the Funds may enter into side letters or other written understandings with individual investors that have the effect of establishing rights under, or altering or supplementing, the terms of a particular Fund's governing documents. The altered terms may include but are not limited to the compensation received by an Affiliate from such Fund such as management fees and/or carried interest. The Firm and its affiliates do not impose a uniform schedule of management fees or performance-based compensation for all Funds (and their respective investors).

Alpine Grove is not entitled to any fees (management fees, carried interest or other) in connection with the Alpine Grove Fund or otherwise.

Management Fees

Affiliates typically receive a base management fee from each Fund as compensation for advisory services, the terms of which are set forth in each Fund's management agreement or other governing documents. The annual management fee paid by each Fund is in the range of 1-2%. During a Fund's investment period, the fee is calculated on a base of aggregate commitments by investors in such Fund. Afterwards, the base scales down to the amount of such Fund's net invested capital plus any amounts drawn down under a Fund's credit facility for investment purposes. Funds do not typically pay management fees or carried interest in respect of amounts committed or contributed by Grove's partners, employees or related persons that may be invested in such Fund.

Management fees are generally paid quarterly in advance by a Fund and are paid by either (i) requiring investors in the Fund to contribute capital to the Fund for payment of the fee or (ii) withholding the amount of such fees from investment proceeds that would otherwise be distributable to investors of such Fund. In addition, the General Partner Affiliates have the ability to cause the Funds to borrow money for the payment of management fees. Management fees are required to be returned to the investors in the applicable Fund if the Affiliate's advisory services are terminated prior to the end of the period in respect of which such fees have been paid. Returned amounts are pro-rated for the number of days left in the quarter during which the relationship was terminated.

Pursuant to the governing documents of each Fund, Grove and its employees typically make an investment in such Fund. In connection with such investment, the relevant General Partner Affiliate has the right to waive a portion of the management fee charged to such Fund and investors in the Fund will instead

make capital contributions in the amount that would otherwise be payable as the management fee. Such amounts are then applied to satisfy the investment commitment of Grove and its employees. This arrangement does not increase or decrease the amount of overall capital that would otherwise be contributed by investors in the Fund.

Other Fees

The offering materials for each Fund disclose that Grove may receive certain additional fees (other than the management fee), such as directors' fees, in connection with the affairs of a Fund and a Fund's investments. 100% of the net amount of any such fees received in connection with a Fund is offset against the management fee for such Fund. Since inception, Grove has not received any other such additional fees in connection with a Fund.

As described above, if at any point in the future Grove were to receive such fees (including directors' fees) in connection with a Fund, 100% of the net amount of any such additional fees would be applied to reduce the management fee. Any potential conflict of interest Grove would have to the extent it has the opportunity to earn such additional fees would be mitigated by the management fee offset and Grove's significant equity commitment to the Funds.

Performance Allocation

As described in Item 6 below, the General Partner Affiliate of each Fund may receive a performance-based fee in the form of "carried interest," entitling it to a prescribed portion of a Fund's profits. Each Fund has established a distribution waterfall describing how distributions will be paid to the underlying investors in such Fund and to the relevant General Partner Affiliate. Generally, profit allocations represent a share of distributions made by a Fund in excess of the relevant investors' invested capital and allocable fees and expenses. Performance-based profit allocations may be applied each time an investment is realized or on a different basis as agreed to between the Fund and its investors and as set forth in the governing documents of such Fund.

Performance fees or carried interest allocations generally do not exceed 20% of profits and are generally subject to certain preferred return hurdles. The preferred return hurdle may vary between Funds, but is generally 10-11%. The manner of calculation and application of carried interest profit allocations are disclosed in the governing documents for each Fund.

Common Types of Expenses

Each Fund typically bears and is charged with its own operating costs and expenses, and investors in the Funds bear these indirectly as Fund expenses. These costs and expenses vary, and are set out in more detail in the governing documents for each Fund. The following is a summary of the expenses a Fund

typically bears:

- *Organizational Expenses:* The Funds bear all organizational and offering fees (including but not limited to legal expenses, accounting expenses, filing expenses and fees, and marketing expenses), up to a specified amount, as disclosed in the offering documents of each Fund. The excess of any organizational expenses incurred above the cap is offset against the management fee for the particular Fund. Organizational expenses may include the travel and expenses of a placement agent, but any placement agent fees are borne by the Firm or by the Fund with a corresponding offset to management fees.
- *Operational Expenses:* The Funds are responsible for expenses related to their operation, including but not limited to: fees, costs and expenses directly related to the due diligence, negotiation, structuring, purchase, financing, development, holding, hedging and sale of investments, including certain permissible overhead expenses, expenses of any custodians, counsel and accountants, any insurance, indemnity or litigation expense, certain travel and lodging expenses, out-of-pocket expenses of the Funds' investor advisory committee and limited partner meetings, fees and expenses associated with the Fund's borrowings, certain taxes, any fees or other governmental charges levied against the Funds, expenses for transactions not completed, including amounts payable to third parties and all fees and expenses of lenders, investment banks and other financing sources in connection with arranging financing for transactions that are not consummated, and any deposits or draw-down payments that are forfeited in connection with unconsummated transactions. These operational expenses are allocated among the applicable Funds and the applicable investments of each Fund in a fair and reasonable manner in the discretion of the Firm. From time to time, one or more Funds may co-invest in the same investment and expenses are allocated between the participating Funds in accordance with the governing documents of the Funds.
- *Grove Fund Management:* Grove Fund Management LLC, an Affiliate, and its subsidiary Grove Fund Management Europe B.V. (together, "GFM") provide services to the Funds and certain of the Fund's investments, with respect to financial operations, treasury management, financial reporting, customized investor reporting, tax compliance and reporting, and general administration. The operating costs of GFM are allocated to the Funds and the Funds' investments based on a proportion of time spent by employees with respect to each entity. The amount of GFM expenses that may be charged to a Fund may be subject to an annual cap. The annual cap and calculation mechanisms are set forth in the governing documents for each Fund.

The Alpine Grove Fund is generally responsible for all fees, costs, expenses, liabilities and obligations relating to its activities, investments and business, including (i) all fees, costs, expenses, liabilities and obligations attributable to structuring, organizing, acquiring, managing, operating, holding, valuing, winding up, liquidating, dissolving and disposing of its investments, (ii) legal, accounting, administration, custodian, depository, auditing, insurance, litigation and

indemnification costs and expenses, judgments and settlements, consulting, finders, financing, appraisal, filing and other fees and expenses (including fees, costs and expenses associated with the preparation or distribution of the Partnership's financial statements, tax returns and Schedule K-1s or any other administrative, regulatory or other fund-related reporting or filing and any expenses associated with the engagement and activities of a third party administrator for the fund, if any), (iii) all fees, costs, expenses, liabilities and obligations incurred by the fund, its general partner or any affiliate of the general partner relating to investment or disposition opportunities for the fund that are not consummated (including legal, accounting, auditing, insurance, consulting, finders', financing, appraisal, filing, printing, real estate title, survey and other fees and expenses); provided, that such fees, costs, expenses, liabilities and obligations shall not exceed \$1,000,000 in any calendar year, (iv) any taxes, fees and other governmental charges levied against the fund (except to the extent that the fund is reimbursed therefor), (v) all fees, costs and expenses incurred in connection with the organization, management, operation and dissolution, liquidation and final winding-up of any alternative investment vehicles, (vi) costs and expenses relating to the fund's existence and (vii) all fees, costs and expenses incurred in connection with the formation and organization of, and sale of interests in, the fund.

Additionally, affiliates of Grove such as Alpine Grove may provide services to the Alpine Grove Fund or its controlled affiliates and may charge the fund for such services and for any related expenses, in which case any such fees and reimbursements will not be shared with the Alpine Grove Fund or its limited partners; provided, that to the extent such fees and reimbursements were not negotiated at arms'-length with a third party (which includes, in the case of an investment vehicle for a joint investment with a capital provider, such capital provider), the material terms of such provision of service shall be disclosed to the limited partners of the Alpine Grove Fund.

Joint Investments with Third Parties

As described in Item 4 above, a General Partner Affiliate invests assets of a Fund in joint ventures and/or platforms that focus on particular real estate investments. Through these investments, investors in the Fund will bear a pro rata portion of the fees and expenses of the joint venture and/or platform, which may include a fee or other performance compensation paid to a joint venture or operating partner as well as the management fee paid to Grove. In addition, as described above under "Grove Fund Management", GFM may provide certain administrative services to these investments and as described above, GFM is reimbursed for expenses incurred. Neither the Firm nor any of its supervised persons receives any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Similarly, the Alpine Grove Fund will pay its pro rata share of all expenses incurred in connection with the underlying real estate investments in which the Alpine Grove Fund invests, which may include a management fee and/or

performance compensation paid to operating partners and/or to an Alpine Grove affiliate. Additionally, certain Grove partners and employees will invest in the underlying real estate investments into which the Alpine Grove Fund will invest. Such partner and employee investments will be responsible for their pro rata share of such expenses as well.

Item 6 Performance-Based Fees and Side-By-Side Management

As described in greater detail in Item 5 above, General Partner Affiliates may receive performance-based compensation in the form of carried interest from the Funds, and the specific terms of such arrangements are set forth in each Fund's governing documents (including any offering materials provided to investors). Carried interest allocations are structured to comply with Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), as applicable. Grove seeks to ensure that each Fund and any investor in a Fund that is directly or indirectly subject to carried interest profit allocations satisfies the qualifications set forth in Rule 205-3 and has been advised of such allocations and their risks.

The existence of carried interest may create an incentive for a General Partner Affiliate to make riskier or more speculative investments on behalf of the Funds than would be the case in the absence of these arrangements. However, Grove seeks to manage each Fund in accordance with the investment strategy disclosed in the Fund's governing documents to help ensure that investors are aware of the investment strategy and the risks associated with the strategy. The offering materials provided to potential investors in each Fund include detailed descriptions of profit allocations, risks of the investments, fees and expenses and potential conflicts of interest.

The governing documents for each Fund provide that a portion of an investment may be allocated to third parties and/or co-investment funds managed by Affiliates. As set forth in the governing documents of each Fund and co-investment fund, the co-investment fund will generally invest on the same terms and conditions as the Fund, although investors in a co-investment fund may have negotiated different terms for their investment in the co-investment fund, which may be more or less favorable than the terms of the other Funds. There are potential conflicts of interest when allocating investment opportunities between a Fund and a co-investment fund which may have different fee structures; however, any such conflicts are mitigated by the governing documents of each Fund, which set forth terms and conditions upon which investments suitable for the Fund may be made available for co-investment. Additionally, the Firm's Compliance Manual provides that under no circumstances may the likelihood of a General Partner Affiliate earning a carried interest bear any weight in the determination of investment allocations.

As described above, neither Alpine Grove nor any affiliate of Alpine Grove are entitled to receive performance-based compensation in connection with the Alpine Grove Fund, though affiliates of Alpine Grove may be entitled to receive performance-based compensation on the Alpine Grove Fund's underlying investments, which will have been negotiated on an arms'-length basis with the capital providers in such underlying

investment.

Item 7 Types of Clients

Grove's Funds are pooled investment vehicles that are exempt from registration under Section 3(c)(7) of the Investment Company Act of 1940, as amended. Investors in the Funds include high net-worth individuals, financial institutions, corporations, sovereign wealth funds, endowment funds, charitable organizations, public and private pension funds and other investment funds. The Funds and their General Partner Affiliates require that each investor in the Funds be an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended and a "qualified purchaser" as defined in the Investment Company Act of 1940, as amended (the "1940 Act"). Certain Grove employees who qualify as "knowledgeable employees" under Rule 3c-5 of the 1940 Act are also permitted to invest directly or indirectly in the Funds.

Minimum investment amounts may vary among the Funds, unless otherwise waived in the discretion of the general partner of a Fund. Any such minimum investment amount will be disclosed in the offering documents for the particular Fund.

Alpine Grove's initial client will be the Alpine Grove Fund. The Alpine Grove Fund is exempt from registration under Section 3(c)(7) of the 1940 Act. Its investors are accredited investors and qualified purchasers. As described below, certain Grove partners and employees will invest in the underlying real estate investments into which the Alpine Grove Fund will invest.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Investment Analysis and Investment Strategies

Grove makes investment recommendations to the Funds predominantly in the real estate and real estate-related sector. It also may make recommendations in cash management and certain derivative instruments from time to time.

Grove identifies potential investment opportunities for its Funds through a variety of sources and a range of methods, including using information obtained from working with industry professionals such as consultations with operating partners, joint venture partners, property management and leasing professionals, lenders, brokers, and other professionals within the real estate sector. Grove employs a top-down, research and analysis based approach to identify value-oriented and distressed investment opportunities.

An affiliate of Grove serves as the general partner of each Fund and each Fund's general partner has an investment committee which is comprised of the Chief Investment Officer and certain senior advisors with significant real estate investment experience. The investment committee for each Fund reviews and approves the acquisition of material investments and other investment decisions for such Fund.

On behalf of its Funds, Grove often pursues a “platform” approach to investment opportunities, which is a market-specific and product-focused investment venture, developed with well-known local entrepreneurs or institutions. Typically, a Fund will have majority ownership of the platform and an operating partner will have minority ownership. These platforms will make multiple real estate acquisitions and dispositions. The operating partner will typically identify and present investment opportunities for the platform and will have day to day management responsibilities for the platform’s operations and investments. The Fund will typically retain approval rights over major decisions such as investment and divestment decisions, operating budgets and indebtedness.

Investments and platforms are pursued after completing an analysis that generally includes: (i) performing rigorous due diligence on the geographic sector, management team, operating partner, and competitive factors, (ii) optimizing the proposed capital structure, (iii) mitigating the potential impact of taxation, (iv) analyzing foreign currency risks and interest rate exposures, and (v) identifying multiple exit strategies. During the life of the investment, Grove will monitor investments on behalf of its Funds and make refinancing and divestment recommendations as appropriate.

Through the Alpine Grove Fund, Alpine Grove makes available the opportunity to co-invest into certain direct real estate investments of Alpine Grove Partners and its specified capital partners. For these investments, Alpine Grove Partners seeks value-add and opportunistic opportunities in residential and commercial real estate in Spain, the Netherlands, Italy, France and select major peripheral European cities. These opportunities are identified using the same approach as Grove uses to identify opportunities for the Funds.

Risk of Loss

An investment in the Funds involves a high degree of risk, and is suitable only for those investors capable of evaluating the merits and risks of an investment in the Funds and bearing the risks such investments represent. There can be no assurance that any Fund will meet its investment objectives or otherwise be able to carry out its investment program successfully or that an investor will receive a return of its capital. Investment in the real estate strategies employed by Grove involves a risk of loss that investors in the Funds should be prepared to bear. Each Fund’s offering documents describes in detail the risk factors and potential conflicts of interest associated with an investment in a Fund. Set forth below is a non-exhaustive list of such risks:

- ***No Assurance of Investment Return.*** There can be no assurance that a Fund will be able to generate returns for its limited partners or that the returns will be commensurate with the risks of investing in the types of properties or companies and transactions described herein.

- ***Reliance on General Partner and Management.*** Decisions with respect to the management of a Fund will be made by the Fund's General Partner Affiliate. The success of a Fund will depend on the ability of the General Partner Affiliate and its investment committee to identify and consummate suitable investments, to improve the operating performance of portfolio companies and to dispose of investments at a profit. The loss of the services of members of the General Partner Affiliate's team could have an adverse impact on a Fund's ability to realize its investment objectives.
- ***Inability to Execute Business Plan.*** There can be no assurance that Grove will be able to execute a Fund's business plan. Unforeseen factors may arise that Grove is not in a position to control, which may interrupt Grove's investment program and/or negatively impact returns on the Fund's investments.
- ***General Real Estate Risks.*** A Fund's investments will be subject to the risks inherent in the ownership and operation of real estate and real estate related businesses and assets. These risks include, but are not limited to, those associated with the burdens of ownership of real property, general and local economic climate, local real estate conditions, changes in supply of or demand for competing properties in an area (as a result, for instance, of overbuilding), fluctuations in the average occupancy and room rates for hotel properties, the financial resources of tenants, changes in building, environmental and other laws, energy and supply shortages, various uninsured or uninsurable risks, natural disasters, changes in government regulations (such as rent control), changes in real property taxes, changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, negative developments in the economy that depress travel activity, environmental liabilities, contingent liabilities on disposition of assets, terrorist attacks and war and other factors which are beyond the control of Grove.
- ***Risk of Limited Number of Investments.*** A Fund may participate in a limited number of investments and, as a consequence, the aggregate return of the Fund may be substantially adversely affected by the unfavorable performance of even a single investment.
- ***Distressed Investments.*** A Fund may purchase investments that are experiencing significant financial or business distress, including securities, companies or real estate assets involved in bankruptcy or other reorganization and liquidation proceedings. Many of these investments ordinarily remain unpaid unless and until the investment is reorganized and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. There can be no assurance that Grove will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action.
- ***Investments with Third-Parties in Joint Ventures and Other Entities.*** A Fund may co-invest with third-parties through partnerships, joint ventures or other entities, whereby the Fund acquires controlling or non-controlling interests in certain investments. The Fund may not have control over these investments

and, therefore, may have a limited ability to protect its position therein. Furthermore, such investments may involve risks not present in investments where a third party is not involved.

- ***Reliance on the Management Team or Joint Venture Partner.*** In connection with joint ventures, it is primarily the responsibility of third-party corporate management teams, joint venture partners and third-party managers to operate, on a day-to-day basis, investments a Fund makes through such partnerships, joint ventures or other entities.
- ***Controlling Person Liability.*** The exercise of control over an entity can impose additional risks of liability for environmental damage, failure to supervise management, violation of government regulations (including securities laws) or other types of liability in which the limited liability characteristic of business ownership may be ignored.
- ***Financial Market Fluctuations.*** General fluctuations in interest rates and the market prices of securities and other assets may adversely affect the value of a Fund's investments. Instability in interest rates and the securities markets may also increase the risks inherent in the Fund's investments.
- ***Leverage.*** A General Partner Affiliate will generally utilize significant leverage in connection with a Fund's investments. The use of such leverage involves a high degree of financial risk and will increase the exposure of the investments to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the investments.
- ***Foreign Currency and Exchange Rate Risks.*** A Fund's assets generally will be denominated in the currency of the jurisdiction in which the businesses or assets are located. Consequently, the return realized on any investment by limited partners may be adversely affected by movements in currency exchange rates, costs of conversion and exchange control regulations.
- ***Hedging Policies/Risks.*** In connection with certain investments, a Fund may, but will be under no obligation to, employ hedging techniques designed to protect the Fund against adverse movements in currency exchange rates, securities prices, interest rates and certain other risks. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks.
- ***Availability of Insurance against Certain Catastrophic Losses.*** Certain losses of a catastrophic nature, such as wars, earthquakes, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. In general, losses related to terrorism are becoming more difficult and more expensive to insure against.
- ***Potential Environmental Liability.*** A Fund may be exposed to substantial risk of loss arising from investments involving undisclosed or unknown environmental, health or occupational safety matters, or inadequate reserves, insurance or insurance proceeds for such matters that have been previously identified. A Fund is subject to a wide range of federal, state, local and foreign

environmental, health and safety laws, ordinances and regulations, including without limitation, those relating to the investigation, removal, and remediation of past or present releases of hazardous or toxic substances. Such laws may impose joint and several liability, which can result in a party being obligated to pay for greater than its share, or even all, of the liability involved. Environmental claims with respect to a specific investment may exceed the value of such investment, and under certain circumstances, subject the other assets of a Fund to such liabilities.

- ***Impact of Government Regulations.*** Regulations may be promulgated that could restrict or curtail certain usages of existing structures, or require that such structures be renovated or altered in some manner. The promulgation and enforcement of such regulations could increase expenses, and lower the income or rate of return, as well as adversely affect the value of any of a Fund's investments.
- ***Difficulty of Locating Suitable Investments.*** The success of a Fund will depend on the ability of Grove's professionals to identify suitable investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of a sufficient number of suitable investments. There can be no assurance that a Fund will be able to locate, complete and exit investments which satisfy the Fund's rate of return objective or realize upon their values or that it will be able to fully invest its available capital.
- ***Development Risks.*** To the extent that a Fund invests in development activities, it will be subject to the risks normally associated with such activities. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of a Fund, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms.
- ***Market Conditions.*** Any material change in the economic environment, including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates, could have a negative impact on the performance and/or valuation of a Fund's investments. Further, a Fund's strategy relies, in part, upon local market conditions during the term of the Fund. No assurance can be given that real estate businesses and assets can be acquired at favorable prices or that the market for such assets will recover, or continue to improve, as the case may be, since this will depend, in part, upon events and factors outside the control of Grove.
- ***Risks of Acquiring Real Estate Loans and Participation.*** Real estate loans acquired by a Fund may be at the time of their acquisition, or may become after acquisition, non-performing for a wide variety of reasons. Such non-performing real estate loans may require a substantial amount of workout negotiations and/or restructuring. However, even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such real estate loan, replacement "take-out" financing will not be available. It is possible that a General Partner Affiliate may find it necessary or desirable to foreclose on

collateral securing one or more real estate loans purchased by or on behalf of a Fund. The foreclosure process can be lengthy and expensive.

- ***Investments in Certain Non-U.S. Jurisdictions.*** A Fund may invest in any jurisdictions, including making investments in countries that are not members of the OECD. Investments in such other jurisdictions may involve certain risks not typically associated with investing in real estate businesses and assets located in OECD member countries, including risks relating to (i) currency exchange matters for investments, (ii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, differences in government supervision and regulation and potential price volatility in and relative illiquidity of some non-U.S. securities markets and (iii) certain economic, political and social risks, including potential exchange-control regulations, potential restrictions on foreign investment and repatriation of capital, the risks associated with political, economic or social instability and the possibility of expropriation or confiscatory taxation.
- ***Regional Risk.*** The market and the economy of a particular country in which a Fund may invest are influenced by economic and market conditions in other countries in the region. Investors' reactions to developments in one country can have adverse effects on the securities of companies and the value of real estate and real estate-related assets in other countries in which a Fund may invest.
- ***Accounting; Disclosure; Limited Information and Regulatory Standards.*** Accounting, auditing, financial and other reporting standards, practices and disclosure requirements in countries in which a Fund may invest are not equivalent to those in the United States and may differ in fundamental ways. Accordingly, information available to a Fund, including both general economic and commercial information and information concerning specific enterprises or assets, may be less reliable and less detailed than information available in more economically sophisticated countries.
- ***Legal, Tax and Regulatory Risks.*** Legal, tax and regulatory changes could occur during the term of a Fund that may adversely affect the Fund, or the Partners. In general, developing countries lack fully developed legal systems and bodies of commercial law and practices normally found in countries with more developed market economies.

The above is only a brief summary of some of the important risks associated with the real estate investment strategies that will be employed by Grove. The governing documents and offering materials for each Fund contain full descriptions of the risks associated with the strategies as well as potential conflicts of interest.

The Alpine Grove Fund is subject to similar risks of pooled investment vehicles and real estate investments as are the Funds managed by Grove. Additionally, investments made available to the Alpine Grove Fund are each subject to risks specific to those particular investments, and the Alpine Grove Fund investors will be able to evaluate such risks on an investment-by-investment basis as such

investments are made available.

Item 9 Disciplinary Information

Neither the Firm (including Alpine Grove) nor any of its management persons have been involved in any criminal or civil actions in a domestic, foreign or military court.

Neither the Firm (including Alpine Grove) nor any of its management persons have been subject to an administrative proceeding before the Securities and Exchange Commission, any other federal regulatory agency, any foreign financial regulatory authority or any self-regulatory organization.

Item 10 Other Financial Industry Activities and Affiliates

Registrations

Neither the Firm (including Alpine Grove) nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Neither the Firm (including Alpine Grove) nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Material Relationships

Alpine Grove Partners and its affiliates (including Alpine Grove) are under common control with Grove. Alpine Grove Partners' business purpose is generally to source and then act as an operating partner in direct investments in real estate with capital partners. Certain personnel of Grove (including certain members of senior management) devote some or up to substantially all of their time on Alpine Grove business, and additional personnel may do so in the future.

Further, certain employees of Grove may have family members and/or friends who are employed with, or are otherwise affiliated with, entities that provide services or engage in business transactions with Grove and/or its Funds, such as operating partners, investors in the Funds, real estate brokers, lenders, attorneys, and/or tenants in properties owned by the Funds. Employees are required to disclose certain relationships to the Chief Compliance Officer, who monitors such relationships and related conflicts.

Delegation of Investment Advisory Function

Each Fund's General Partner Affiliate delegates certain investment management functions with respect to a Fund to an Affiliate. In addition, as described above in Item 5, GFM will provide certain administrative services, including accounting and tax advisory services to each Fund and/or the Fund's investment. Grove may face a number of potential conflicts of interest because of these relationships including, but

not limited to, (i) investment opportunity allocation, (ii) Funds making investments in platforms in which other Funds have an investment, and (iii) allocation of Grove personnel among Funds. These conflicts of interest are discussed in more detail in Items 6 and 11 and are disclosed in the governing documents and offering materials for each Fund.

Neither Grove nor Alpine Grove (i) recommends or selects unaffiliated investment advisers for its Funds from which either receives compensation, or (ii) has other business relationships with unaffiliated investment advisers, in either case that create a material conflict of interest.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The Firm has adopted a Code of Ethics (the “Code”) as required under Rule 204A-1 of the Advisers Act that sets forth standards of ethical conduct to help ensure that the Firm fulfills its role as a fiduciary to the Funds. The Code covers the following topics, among others: (i) guidelines and standards for business conduct; (ii) personal trading procedures, including pre-clearance and reporting obligations; (iii) limitations on, and reporting of, gifts and entertainment; and (iv) pre-clearance of political contributions. On an annual basis, Grove requires all employees to certify that they are in compliance with the Code.

A copy of the Firm’s Code will be provided to any existing or prospective clients or investors upon request.

Alpine Grove and the Grove personnel who perform services for Alpine Grove are subject to the Code.

Participation or Interest in Client Transactions

Grove does not generally engage in any transactions for its own account by buying a security from, or selling a security to, a Fund. However, to the extent any such transaction arises, the Firm has implemented policies and procedures to comply with the Advisers Act as well as the applicable restrictions in each Fund’s governing documents. Alpine Grove does not anticipate engaging in securities transactions on behalf of its clients.

The General Partner Affiliate of a Fund will typically make an investment in such Fund and therefore will participate with investors in the Fund in each investment the Fund makes. The principals of Alpine Grove expect to invest, directly or indirectly, in all of the real estate investments that are made available to the Alpine Grove Fund.

A Fund may make an investment in which other Funds have or are concurrently making an investment, including investments made by co-investment funds as described in more detail in Item 6 above. In such situations, the Funds may have conflicting interests, including the amounts allocated to each Fund, the terms of their respective investments and liquidity needs.

On rare occasion, a Fund may purchase all or a portion of an investment from, or sell an investment to, another Fund. Such transactions are subject to legal and compliance review to ensure such transactions are conducted in accordance with the Advisers Act and other applicable laws and in accordance with the terms and conditions of each Fund’s governing documents.

The governing documents of each Fund disclose the conflicts of interest that may

arise in connection with such Fund's investment activities and contain terms and conditions designed to mitigate or resolve such conflicts, including allocation policies, restrictions on certain transactions with Grove, requirements that co-investments be made and sold on the same terms and conditions as well as review and approval by a Fund's investor advisory committee of transactions that constitute a material conflict of interest.

The governing documents of the Alpine Grove Fund disclose the risks and conflicts of interest that may arise in connection with that fund's investment activities. Alpine Grove is subject to the Firm's compliance policies and code of ethics.

Personal Trading

Certain Grove employees and affiliates may invest in Fund platforms through its interest in the General Partner Affiliate of the Funds or through affiliates. These employees and/or affiliated investors typically make up a small percentage of the total commitments of a Fund. A Grove employee will not make a separate investment in an investment made by a Fund, other than through its interest in the general partner of such Fund or through an Affiliate. In any case, personal investing in the same sector (i.e., real estate) is subject to the Firm's compliance policies and monitoring for conflicts of interest. All employees (including those who devote substantial time to Alpine Grove) are required to report their securities holdings annually and their personal trading in reportable securities on a quarterly basis.

Item 12 Brokerage Practices

Brokerage Transactions

Due to the nature of the Firm's business and the investments made by the Funds, the Firm will rarely execute a brokerage transaction for a Fund. From time to time, however, the Firm may purchase foreign currency and certain derivative instruments on behalf of the Funds, and when choosing a broker for these transactions, will generally consider qualitative factors including, but not limited to, the broker's reliability and execution capabilities, the broker's ability to provide best execution, the commissions charged by the broker, and the broker's reputation, financial strength and stability. Alpine Grove does not expect to engage in any brokered transactions.

Soft Dollar Arrangements. Neither Grove nor Alpine Grove has any soft dollar arrangements.

Client Referrals. In the private equity context, client referrals are not relevant to Grove's or Alpine Grove's selection or recommendation of broker-dealers.

Directed Brokerage. Neither Grove nor Alpine Grove has directed brokerage arrangements.

Trade Aggregation

The Funds rarely invest in publicly traded securities, but if a Fund did transact in a publicly held security, it generally would not be practicable to aggregate transactions with another Fund because of the investment periods of the Funds and exclusivity provisions. The Alpine Grove Fund does not expect to invest in any publicly traded securities.

Trade Errors

While Grove does not expect to engage in public trading on behalf of the Funds, in the event that a Fund incurs a trade error solely as a result of fraud, gross negligence or willful misconduct of Grove, the error will be corrected by Grove as soon as practicable such that the Fund incurs no loss. Trade errors that result from other than this standard of care will be borne by such Fund. To the extent that any gains arise out of the trade error, such gains will be retained by the Fund. The Alpine Grove Fund will not engage in public trading of investments.

Item 13 Review of Accounts

Review of Accounts

The Funds' investments are monitored by the Firm's Chief Investment Officer, a Senior Partner, the Regional Heads and the Chief Financial Officer, as well as other investment professionals, on a quarterly or more frequent basis as needed. These individuals, as well as the Advisors' investment committees, may periodically review investments of the Funds on an expedited basis following a unique occurrence in the financial industry or market generally.

The Alpine Grove Fund investments are real estate investments that are managed by joint ventures and are closely monitored by Alpine Grove.

Client Reporting

Pursuant to the Funds' governing documents, each Fund is audited by a national accounting firm on an annual basis. The audited financial statements, the audit opinion and year-end tax reports are provided to the investors in each such Fund, generally within 90 days of the end of such Fund's fiscal year. Investors in the Funds also receive quarterly unaudited financial reports which include financial statements and a summary description of each investment owned by the Fund as of the end of such quarter. Investors also receive a statement of their capital account balances.

The Alpine Grove Fund will provide to its limited partners a report of such limited partner's closing capital account balance on a quarterly basis, a copy of any quarterly or annual investment summary report prepared or provided by Alpine Grove or its affiliates to the other investors in an Alpine Grove Fund investment, a Schedule K-1 on an annual basis, and such other information required to be provided by applicable law.

Certain investors may have the right to obtain information relating to a Fund that is not available to other investors.

Item 14 Client Referrals and Other Compensation

As described in Item 5 above, in addition to management fees and carried interest, Grove may receive additional fees in connection with investments by the Funds.

Grove does not have any placement or "finder" arrangements for referrals of clients. However, in connection with organizing a Fund, Grove may compensate one or more placement agents for referrals of investors in a Fund. A prospective investor solicited by a placement agent or other third party will be advised of any such arrangement, including the receipt of fees. Placement agent fees will ultimately be payable by Grove, directly or through an offset of the management fee payable to an Affiliate by the relevant Fund. None of the investors in the Funds will be subjected to any increased or additional fees or

charges due to the use of placement agents. No placement agents will be used by Alpine Grove in organizing the Alpine Grove Fund.

Certain individuals who are not employees may serve as senior advisors to Grove and/or may sit on the investment committees of the Funds. Such individuals may receive compensation from the Funds for services provided to the Funds in connection with investments. Such services could include legal, financial and strategic advice and the fees for such services are negotiated on an arms' length basis.

Item 15 Custody

Grove is deemed to have custody of the underlying assets of the Funds under Rule 206(4)-2 of the Advisers Act (the “Custody Rule”) by virtue of the fact that Grove affiliates serve as general partners of the Funds. Alpine Grove is similarly deemed to have custody of the underlying assets of the Alpine Grove Fund. All Fund and Alpine Grove Fund assets, other than assets which fall within the definition of “privately offered securities” under the Custody Rule, are held in custody by unaffiliated broker/dealers or banks acting in the capacity as “qualified custodians.” Substantially all of the Funds’ and Alpine Grove Fund’s assets are “privately offered securities” under the Custody Rule.

In accordance with the Custody Rule, the Firm’s Chief Financial Officer (“CFO”) or his designee is responsible for ensuring that the Funds’ securities, other than “privately offered securities,” are held only with a qualified custodian. The Firm’s CFO or his designee is responsible for arranging for annual independent audits of the Funds by a major accounting firm within 120 days’ of the Funds’ fiscal year end and for obtaining audited financial statements prepared in accordance with GAAP. The audited financial statements are provided to the underlying investors of the Funds within 120 days of the Funds’ fiscal year end. Alpine Grove will similarly ensure that securities of the Alpine Grove Fund, other than “privately offered securities” will be held with a qualified custodian and will arrange for an annual independent audit of the Alpine Grove Fund and the delivery of the Alpine Grove Fund’s audited financial statements to its underlying investors with 120 days of the fiscal year end.

Item 16 Investment Discretion

Typically Grove provides investment advice to the Funds on a discretionary basis. An affiliate of Grove, usually the general partner of the applicable Fund, accepts discretionary investment authority for each Fund. Generally this investment discretion is subject only to the investment guidelines set forth in governing agreements of a Fund. As described above in Item 4, Grove does not have discretion over the investments by certain Funds and accordingly, while Grove may make investment recommendations, the investors in such Funds make the ultimate decision as to whether to participate in an investment. Alpine Grove does not have discretion over the investments by the Alpine Grove Fund.

Item 17 Voting Client Securities

As noted above, the Funds invest primarily in private securities and therefore Grove is generally not in a position to vote proxies. In the event a Fund obtains securities with voting authority, the relevant General Partner Affiliate will vote in accordance with Rule 206(4)-6 of the Advisers Act (the “Proxy Rule”). The Firm has adopted a general policy to vote proxies for companies in which the Funds have investments in line with company management, unless the General Partner Affiliate believes management’s proposal will not maximize value for the Funds.

From time to time, conflicts may arise between the interests of the Funds, on the one hand, and the interests of Grove, on the other hand. If the General Partner Affiliate determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, it will present such conflict to the relevant Fund's limited partner advisory committee for consultation on the matter.

Although the Alpine Grove Fund invests primarily in private securities and therefore Alpine Grove is generally not in a position to vote proxies, Alpine Grove will also apply the Proxy Rule as appropriate and will adopt the Firm's proxy policy. To the extent Alpine Grove determines that it has or may be perceived to have, a conflict of interest when voting a proxy, it will present such conflict to the Alpine Grove Fund limited partners for consultation on the matter.

Clients and investors may request a copy of the Firm's proxy policy and the voting records relating to proxies as provided by the Proxy Rule by contacting the Firm's Chief Compliance Officer at the number on the cover of this brochure.

Item 18 Financial Information

The Firm and Alpine Grove does not require or solicit prepayment of more than \$1,200 in fees per fund, six months or more in advance. Neither the Firm nor Alpine Grove believes any financial condition exists that is reasonably likely to impair its ability to meet contractual commitments to any funds. Neither the Firm nor Alpine Grove has been the subject of a bankruptcy petition.