



Firm Brochure

(Form ADV, Part 2A)

March 28, 2016

Lowe Enterprises Investors

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This brochure provides information about the qualifications and business practices of Lowe Enterprises Investors. If you have any questions about the contents of this brochure, please contact us at (310) 820-6661. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Lowe Enterprises Investors also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration as an investment adviser with the U.S. Securities and Exchange Commission does not imply a certain level of skill or training.

MATERIAL CHANGES SINCE LAST ANNUAL UPDATE OF THIS BROCHURE

The following is a discussion of only the material changes since the last annual update of our brochure, which was made on March 31, 2015.

- **Assets under management.** Our assets under management are \$2,619,321,717 in total as of December 31, 2015. Further information is available under the heading “Advisory Business” on page 1.

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ADVISORY BUSINESS

Lowe Enterprises Investors (LEI) is a real estate investment management firm. We have been in business since 1989 and have been a registered investment adviser since 1991.

Our principal owners are:

- LEIM Parent, Inc., which is a wholly-owned subsidiary of Lowe Enterprises, Inc. Lowe Enterprises, Inc. is a privately-held real estate company based in Los Angeles, California, whose majority shareholder is Robert J. Lowe. Mr. Lowe is the Chairman and Chief Executive Officer of Lowe Enterprises, Inc. He is also the Chairman of the board of directors of LEI.
- Guardian LEIM, LLC, which is a wholly-owned subsidiary of The Guardian Life Insurance Company of America (“Guardian Life”). Guardian Life is a mutual insurance company and is owned by its policy holders.

Our business is limited to providing investment management and supervisory services to clients regarding all aspects of real estate related investments including the acquisition, financing, management and disposition of direct ownership of real estate, interests in limited partnerships and limited liability companies that own real estate and Real Estate Debt (discussed below). Our services include (1) real estate investment review, analysis and recommendation; (2) real estate asset management including (a) management of property acquisition and disposition, (b) review, analysis and recommendation of equity co-investment and debt financing, including recapitalization and restructuring advice, (c) selection and management of appraisal, audit, legal and tax advice in respect of clients’ investments and (d) review, analysis and approval of capital improvements, major tenant selection, asset repositioning and disposition; and (3) supervision of property management services, real estate leasing services, real estate brokerage and disposition services provided by related and unrelated persons.

In addition, we provide advice to clients regarding the acquisition of senior and junior mortgage notes, loan portfolios and other debt investments secured by real estate or by entities that own or control real estate (commonly referred to as “mezzanine debt”), together with “preferred equity” investments in privately-placed partnerships or limited liability companies that hold operating real estate assets or real estate assets upon which improvements are planned to be constructed (collectively referred to as “Real Estate Debt” in this brochure).

We do not provide advice with respect to any type of publicly traded securities.

We provide our investment management services only to clients who have elected, individually or through other advisers, to allocate a portion of their overall investment portfolio to real estate related investments. Clients may impose restrictions on investing in certain types of real estate related investments. These restrictions may be based on geography, use type, price and other factors meeting the client’s specific investment and risk parameters. These restrictions are agreed to at the time of entering into or renewing the investment management agreement, or at other times if the agreement provides for more frequent changes. Some clients retain full discretion over the selection of real estate related investments. In that case, we make

recommendations based on the investment parameters that the client communicates to us from time to time, with the client retaining the ultimate decision of whether the investment is made or disposed of.

We do not participate in wrap fee programs.

As of December 31, 2015, we manage the following amount of client assets:

Discretionary basis:	\$101,403,330
Non-discretionary basis:	\$2,517,918,387

FEES AND COMPENSATION

For real estate advisory services encompassing acquisition, management and disposition of real estate and real estate-related assets, we may charge an acquisition fee, and asset management fees computed as a percentage of income, appraised value, total investment dollars committed or total cost basis of the assets acquired or managed. We may also receive incentive fees or a profits-only interest in certain investment-related partnerships determined with respect to the appreciation of the underlying real estate related investment. We may also charge a disposition fee relating to the sale or other disposition of a real estate related investment.

We do not have a standard fee schedule, and all fees are negotiable. All fees are negotiated separately with clients and depend upon the services to be provided to the client. When we act as a sponsor of and/or adviser to an investment-related partnership, our fees are contained in the pertinent partnership or limited liability company documents and/or offering materials such as a private placement memorandum. In some instances, we negotiate the fees we will charge investment-related partnerships or limited liability companies with the prospective investors in these entities.

Generally we deduct fees from clients' assets, although in negotiating our fees with clients, clients may select whether to allow us to deduct fees from their assets or to be billed for fees incurred. Asset management fees are payable monthly or quarterly in arrears. Incentive fees are payable in arrears in accordance with schedules negotiated with clients or pursuant to the terms of the investment management agreement, limited liability company agreements or partnership agreements for the particular client. All other compensation is payable upon receipt of the services rendered.

As a client, all fees that you will pay to us will be described in our investment management agreement that we have negotiated. However, you may pay other types of fees or expenses to third parties in connection with our investment management services. We may deduct these fees and expenses from your account. These may include the following:

- Real estate brokerage fees and commissions
- Loan fees and commissions
- Bank and custodial fees
- Escrow fees
- Legal fees

All clients may incur brokerage fees or commissions when real estate related investments are sold or otherwise disposed of from their accounts, or loan fees or commissions when financing is obtained that is secured by their real estate related investments. For a further discussion of these practices, please refer to “Brokerage Practices” on page 10 below.

None of our fees must be paid in advance.

None of our employees or any other supervised person accepts or receives direct compensation for the sale of securities or other investment products.

The real estate related investments that we recommend may or may not be marketed publicly by sellers and their agents. Clients have the option to acquire the real estate related investments that we recommend through persons not affiliated with us, although we would not perform any services or earn any fees in respect of the investment in that case.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We accept performance-based fees from all current client accounts. Performance-based fees are fees based on a share of capital gains on or capital appreciation of the assets of a client and are also known as “incentive fees.” These may also take the form of a profits-only interest in a client that is a partnership or limited liability company. Currently, we do not manage any accounts for clients for which a performance-based fee is not charged.

Because all fees are negotiated separately with each client. (See “Fees and Compensation” on page 2 above), we manage accounts for clients who may have agreed to pay us different kinds and/or rates of fees, including performance-based fees, asset management fees and other fees on different bases. This may create a conflict of interest because we may have an incentive to favor accounts for which we receive greater fees by recommending real estate related investments to clients who pay us higher fees over clients who pay us lower fees. We address this conflict through the application of a rotation system. Opportunities that satisfy the investment criteria of more than one client are allocated among our clients on a sequential basis subject to their required investment parameters, unless a client has a preexisting priority right of allocation to the particular asset type or asset class in question. Once an asset is allocated to a client, the client’s name is placed at the end of the rotation list. The record of assets allocated through the rotation system is available annually to all clients upon request.

Neither we nor our related persons are prohibited from engaging, directly or indirectly, in any other business or from possessing interests in any other business venture or ventures, including businesses and ventures involved in the acquisition, development, ownership, management, leasing or sale of real estate assets. Guardian Life, Lowe Enterprises, Inc., our clients, and all of their respective affiliates, own interests in and manage many other real estate related investments that may have one or more investment objectives similar to the investment objectives of other clients and prospective clients. We believe that our rotation policy materially reduces the risk of a client’s acquiring real estate related investments that compete with those of other clients, or those of related persons including Guardian Life, Lowe Enterprises, and their respective affiliates.

TYPES OF CLIENTS

We generally provide investment advice to institutional clients only, including government entities, pension plans, corporations and insurance companies. We have sponsored and provided investment advice to real estate investment-related partnerships whose investors include institutional investors and high-net worth individuals. Our minimum account size is currently ten million dollars.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

METHODS OF ANALYSIS

Our methods of analysis of real estate related investments cover all aspects of project feasibility, financial structure and market analysis at the tenant/customer level and at the investment market level. Special emphasis is given to the investment's anticipated holding period and an evaluation of the investment's risks and its projected returns.

Investment analysis is conducted by our internal staff, and by the staff of affiliates who receive information about real estate related investment opportunities. The information on which analyses are based is obtained from (1) real estate brokers and sellers of the real estate related investment opportunities, and is verified through on-site investigations by our staff and at least one member of our investment committee, (2) industry sources, and (3) government reports. Our analysis of a given real estate related investment opportunity includes a comprehensive due diligence asset review, the preparation of a formal investment recommendation, and approval by our investment committee.

INVESTMENT STRATEGIES

We pursue a "value added" strategy for real estate related investments consisting of improved properties, an opportunistic strategy for unimproved land, and both a moderate risk and an opportunistic risk strategy for Real Estate Debt (see "Advisory Business" on page 1). We seek opportunities in all types of real estate, although we focus primarily on investments in commercial office, industrial and multifamily residential real estate and in hospitality-oriented real estate, with the preferred transaction size exceeding \$15 million.

IMPROVED REAL ESTATE

Our value-added strategy for improved real estate related investments is a moderate risk strategy. As distinguished from a "core" strategy that seeks opportunities providing current income and low-to-modest gains through appreciation, through the value-added strategy we select opportunities to improve the value of acquired assets through reducing expenses, enhancing operational efficiencies, and making capital improvements. For example, with commercial office, industrial and multifamily residential real estate assets, we may seek revenue growth through the replacement of below-market tenancies, refurbishing public areas or retrofitting operating systems. For hospitality properties, revenue growth may be enhanced by generating higher revenues per available room through cost reductions, operational restructuring, market repositioning, and capital programs to enhance the asset's attractiveness

to its customer base. Most real estate related investments are expected to be held over intermediate terms of approximately 3 to 6 years. All real estate related investments involve risk of loss that clients should be prepared to bear. Please see “Risks for All Types of Real Estate Related Investments” on page 6 below for a further discussion of some of these risks.

UNIMPROVED LAND AND SUBSTANTIAL REDEVELOPMENT OF PROPERTIES

Investment opportunities for some improved properties may involve a strategy that calls for redevelopment of most or all of the property. Additionally, we may receive opportunities to acquire unimproved land that is related or unrelated to improved property investments. As opposed to a more moderate “buy-and-hold” strategy that focuses on achieving gains solely through appreciation, we pursue an opportunistic strategy for these types of investments. This strategy involves the active development (or redevelopment) and construction of improvements to produce increased value in the asset. During the investment’s life cycle, additional analysis is undertaken concluding in a recommendation to continue to retain the investment to receive current income, or to dispose of the asset to complete realization of the investment. These types of investments present opportunities for relatively high returns accompanied by higher risks than investments in stabilized, fully-improved real estate. The higher risk is due primarily to the inability of redevelopment projects and unimproved land to produce income during the time required to (1) obtain subdivision and construction authorizations from governmental bodies, (2) design, finance, construct and market the proposed improvements, and (3) ultimately dispose of the real estate which, for undeveloped land, is difficult to predict at the initial acquisition stage. Other important risks include (a) construction risks such as the availability of labor and materials, and delays resulting from weather, disasters, strikes and other unforeseeable events; (b) the inability to obtain, or delays in obtaining, all necessary zoning, land use, building, occupancy, and other required governmental permits and authorizations, and (c) occupancy and rental rates at newly completed or redeveloped properties may be less than originally anticipated. All real estate related investments involve risk of loss that clients should be prepared to bear. Please see “Risks for All Types of Real Estate Related Investments” below for a further discussion of some of these risks.

REAL ESTATE DEBT

We generally pursue two investment strategies for Real Estate Debt. The first is an opportunistic strategy that focuses primarily on acquiring distressed or defaulted Real Estate Debt issued by owners of under-performing improved real estate projects located in strong markets. Real Estate Debt acquired through this strategy is usually acquired at significant discounts to its face value with the intention of attempting to restructure its terms in an effort to realize full payment of the accrued debt balance. It may be necessary, however, to exercise the debt holder’s remedies against the defaulted issuer, which may culminate in ultimately acquiring ownership or control of the underlying real estate asset. The second is a more moderate risk strategy that focuses primarily on originating or acquiring newly or recently-issued junior or senior Real Estate Debt from owners of real estate projects that are well-designed and located in strong markets. Real Estate Debt acquired through this strategy is intended to be held to maturity, generally providing some current income and, in the case of junior debt, a possible share of the appreciation of the underlying real estate.

The most significant risk related to all Real Estate Debt is the lack of meaningful control over the underlying real estate asset. If the holder of Real Estate Debt inappropriately exercises control over the management and policies of the debtor, the Real Estate Debt may become subordinated or disallowed in a bankruptcy, and under some circumstances the holder of the Real Estate Debt could be liable to the debtor or the debtor's other creditors for its actions in acquiring and exercising control of the underlying real estate asset. Furthermore, under certain circumstances, payments made to holders of the Real Estate Debt may be reclaimed if the payments are later determined to have been a fraudulent conveyance or a preferential payment under concepts of applicable bankruptcy laws or state insolvency laws. All real estate related investments, including Real Estate Debt, involve risk of loss that clients should be prepared to bear. Please see "Risks for All Types of Real Estate Related Investments" below for a further discussion of some of these risks.

NON-DISCRETIONARY CLIENTS MAY TAILOR INVESTMENT STRATEGIES

Clients who have not granted us full discretion to make real estate related investments on their behalf retain the power to modify the investment strategies we employ in making our recommendations. This is most often accomplished by establishing specific guidelines for acceptable property types, geographic regions, amounts of debt financing, minimum occupancy levels and the relationship of the asset value to its replacement cost.

RISKS FOR ALL TYPES OF REAL ESTATE RELATED INVESTMENTS

All real estate related investments are subject to a variety of common risks. These include the general economic climate, local real estate conditions, geographic or market concentration, competition from other properties, the ability to control the individuals who manage the properties in question, government regulations, and fluctuations in interest rates. In addition, real estate related investments incur the burdens of ownership of real property generally, which include the paying of operating expenses and property taxes, and maintaining the property and its improvements.

ILLIQUIDITY

Real estate related investments tend to be highly illiquid which creates a risk that a client may not be able to dispose of an investment in sufficient time to realize cash proceeds that may be needed for other purposes. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual impediments such as the imposition of prepayment restrictions or penalties through asset-level debt financing.

USE OF DEBT FINANCING

Some real estate related investments may utilize a leveraged capital structure, in which case a third party would be entitled to cash flow generated by the investments prior to the client's receiving a return. Fluctuations in interest rates may adversely affect the ability to successfully acquire investments and may also adversely affect the performance of a client's investments. Use of borrowed funds to leverage acquisitions involves a high degree of financial risk and can exaggerate the effect of any increase or decrease in value of an investment and will increase the exposure of the investments to adverse economic factors, such as fluctuations in interest rates,

downturns in the local economies in which the investments are located or the deterioration in the physical condition of the investments.

UNINSURED AND UNINSURABLE LOSSES

Prior to acquiring a real estate related investment, we require that commercial general liability, fire, and extended coverage insurance for the property be obtained in amounts customarily obtained for similar properties in the same general area. Some losses, however, may be either uninsurable or not economically insurable. Should an uninsured loss occur, the client could lose its investment in a property as well as its anticipated income from that property. In addition, there are certain types of losses, generally of a catastrophic nature, resulting from, for example, earthquakes, floods, hurricanes, nuclear contamination and terrorist acts, that may be uninsurable or not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations, provisions in loan documents encumbering the property pledged as collateral for loans, and other factors also might make it economically impractical to use insurance proceeds to replace improvements on a property if it is damaged or destroyed. Under such circumstances, the insurance proceeds received, if any, might not be adequate to restore the investment with respect to the affected property.

ENVIRONMENTAL HAZARDS

Claims based on environmental problems associated with real estate related investments may create a risk of loss to a client. Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real estate may be liable for the costs of removal or remediation of hazardous or toxic substances on, under or in the property. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of the hazardous or toxic substances. In addition, the presence of hazardous or toxic substances, or the failure to remediate the property properly, may adversely affect the owner's ability to borrow using the property as collateral. Persons who arrange for the disposal or treatment of hazardous or toxic substances also may be liable for the costs of removal or remediation of these substances at the disposal or treatment facility, whether or not the facility is or ever was owned or operated by the person who made these arrangements. Certain environmental laws and common law principles may be used to impose liability for the release of asbestos-containing materials ("ACMs") into the air and third parties may seek recovery from owners or operators of real properties for personal injuries associated with exposure to released ACMs. Thus, a client who acquires a real estate related investment may be potentially liable for these costs if this sort of liability were to arise in connection with the ownership of its assets.

TERRORISM

Through our investment strategies we tend to select real estate related investments located in or near major metropolitan areas of the United States. Real estate in these areas could be subject to future acts of terrorism. Future terrorist attacks and the anticipation of any such attacks could have an adverse impact on the U.S. financial and insurance markets and economy. These adverse impacts may directly adversely impact a client's real estate related investment, through, for example, a decline in leasing demand, the increased cost of security and other measures to protect structures and occupants, governmental restrictions on travel, cancellation of hotel

meetings and room reservations, a decline in hotel revenues from restaurant and catering activities, and the reduction in the availability of insurance at reasonable rates or at all. It is not possible to predict the severity of the effect that such future events would have on the U.S. financial and insurance markets and economy or a client's real estate related investment.

GOVERNMENTAL REGULATION

Laws and regulations can significantly affect the ability to develop, finance or improve real estate related investments. They can also affect operating costs for real estate related investments. These may include growth moratoriums, laws intended to reduce environmental impact of property operations, requiring retrofitting or replacement of major systems and components to reduce energy consumption, restrictions on physical expansion and limitations on customer or tenant traffic and parking. Laws such as the Americans with Disabilities Act of 1990 require public accommodations to meet certain federal requirements related to access and use by disabled persons. Many hotel investments may be affected by this law and its regulations requiring modifications to public and employee areas, and guest rooms.

DISCIPLINARY INFORMATION

None.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

We have business relationships with Lowe Enterprises, Inc. and its subsidiaries that are material to our investment management business and to our clients. These relationships are described below.

Lowe Enterprises Real Estate Group (REG) is a wholly-owned subsidiary of Lowe Enterprises, Inc., and consists generally of three operating divisions located in Los Angeles, CA, Denver area, CO and Washington, D.C. respectively ("Brokerage Affiliates"). Each of the Brokerage Affiliates is a licensed real estate broker (or employs licensed real estate brokers) that also provide leasing and property management services. On occasion, Brokerage Affiliates act for us and our clients in connection with the purchase or sale of a real estate related investment. The Brokerage Affiliates do not charge a commission in connection with such transactions; however for those clients who have agreed to pay us a disposition fee, all or a significant portion of that fee may be paid to the Brokerage Affiliate. On other occasions, Brokerage Affiliates provide leasing and property management services to us and our clients in connection with the ownership and operation of commercial real estate, and earn fees and reimbursements at market rates unless different fees and reimbursements are approved by the client.

Destination Hotels and Resorts LLC (DHR) is a majority-owned indirect subsidiary of Lowe Enterprises, Inc., based in Englewood, Colorado. DHR's wholly-owned subsidiaries ("Hotel Affiliates") provide management services to hotels and resorts owned by clients. These services are provided at market rates and terms.

Agreements pursuant to which Brokerage Affiliates and Hotel Affiliates (collectively, "Property Affiliates") provide services in respect of client-owned real estate related investments (the

“Affiliate Agreements”) are not terminable (a) by us unless the Property Affiliate has committed fraud, intentional misconduct, gross negligence or material underperformance (all subject to cure), (b) by the Property Affiliate except in the case of non-payment of fees (subject to cure), or (c) unless the client ceases to be our client in which case they are terminable without penalty to the client. However, Property Affiliates will have continuing rights of reimbursement and indemnification against the client relating to occurrences arising before the termination of the applicable Affiliate Agreement. We believe that these indemnification and reimbursement rights accurately reflect market terms for comparable services from comparably qualified providers of these services.

Additionally, Property Affiliates have the option to provide services at market-level rates and terms in respect of client-owned real estate related investments so long as the Property Affiliates demonstrate that they have the geographic and industry expertise required to provide such services for the investment in question. The Affiliate Agreements may create a conflict of interest with clients insofar as it may be difficult for us to select a different service provider or terminate these agreements in the absence of material defaults on the part of the Property Affiliates. We believe that the risks associated with this potential conflict of interest are reduced through the Property Affiliates’ compensation arrangements and our active management of our clients’ assets. First, the interests of the Property Affiliates and clients are aligned inasmuch as Property Affiliates obtain increased property management fees, and can receive incentive-based fees, so long as the property receives increased revenues. Second, we retain the power to approve annual expense budgets for the properties managed by Property Affiliates. Expenses directly impact the profitability of the real estate related investments for which Property Affiliates provide services. As our compensation necessarily depends upon the profitability of the real estate related investments (see “Performance-Based Fees and Side-By-Side Management” on page 3 above), it is in our interest to see that the Property Affiliates achieve optimum performance for our clients’ assets.

Lowe Enterprises, Inc., provides certain centralized services to us pursuant to a shared services arrangement. These services include information technology management, human resources and benefits administration, debt financing supervision, insurance relationship management, legal services and compliance services. We also sublease our offices from Lowe Enterprises, Inc. None of these costs is borne by clients, but the availability of these services and our subleased premises are material to the operation of our business. It would be difficult for us to continue our business or perform investment management services in the absence of these relationships. Nevertheless, we believe that the terms and conditions of our shared services arrangement and our sublease with Lowe Enterprises, Inc. are sufficient for the continued operation of our business as presently conducted.

CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Our code of ethics requires, among other things, adherence by us and our supervised persons to standards of business conduct, fiduciary duties, compliance with Federal securities laws (including insider trading prohibitions), and reporting violations of the Code of Ethics. It also sets

standards of care and responsibility, proscribes means of avoiding conflicts of interest and requires furnishing reports in appropriate circumstances. A copy of our code of ethics will be provided to any client or prospective client on request.

For the administrative convenience of, and at the request of, clients we may act as the general partner or managing member of a limited partnership or limited liability company in which the client is the sole limited partner or other member. These entities are formed to invest directly or indirectly in real estate related investments for the benefit of the client. Our compensation from our relationship with these entities is generally no different from the compensation we would have received if we had entered into an investment management relationship directly with the client. No clients, other than the client for whose benefit the entity was formed, are solicited to invest in such entity.

We or an entity related to us may act as the general partner of a limited partnership or as the managing member of a limited liability company formed to acquire real estate related investments (collectively, “Funds”). We act as the investment adviser to the Funds. Our clients have been solicited to invest in the Funds, and we have recommended that some clients do so by acquiring securities issued by the Funds. In these cases, we disclose in the pertinent offering materials (on behalf of ourselves and any related persons) the nature and extent of our or their interests, including the manner of computing fees and other remuneration either of us may receive. Those clients who invest in Funds also may be represented by independent advisers of their own selection.

BROKERAGE PRACTICES

We recommend and select real estate brokers for a number of functions related to our clients’ real estate related investments. These functions include providing information to us about investments that are available for acquisition, selling real estate related investments, leasing the investments to tenants, and arranging financing for the acquisition of the investments.

Factors involved in selecting a broker include the broker’s experience with (1) the geographic area where the asset or collateral is located, (2) the type of asset to be sold, and (3) the typical market (buyers) for the asset to be sold. Generally, qualified brokers are requested to submit marketing plans and proposed commission schedules prior to selection. We evaluate the reasonableness of the proposed commission on the basis of both competitive bids received and our experience in the marketplace. On occasion, we may select real estate brokers without first requiring competitive bids. In this case, brokers would be selected on the basis of our prior experience with them, the positive results obtained previously, and the strength of their reputation in the marketplace.

We do not receive soft dollar benefits.

Although we do not recommend, request or require that a client direct us to utilize a specific broker in connection with real estate related investments, we do permit clients to require the use of a specific broker in connection with the disposition of their investments. Clients may make this request at any time, although we ask that it be memorialized in writing. If we utilize a broker required by a client, we may be unable to achieve the most favorable execution (best price and

terms) of the sale, leasing or financing of the asset. Directing us to use a specific broker may cost clients more money.

We do not aggregate the purchase or sale of real estate related investments for various client accounts. Real estate related investments are generally considered unique and are not generally bought or sold in the real estate market on an aggregated basis from or to different sellers and buyers, unlike most securities which are fungible and may provide savings when purchases or sales are aggregated.

REVIEW OF ACCOUNTS

Clients' accounts are reviewed not less frequently than quarterly. Reviews are conducted through our portfolio review process in which the performance of all clients' assets is reviewed and evaluated concurrently. Reviews are supervised by the co-Chief Executive Officers, and are conducted by the Sr. Vice President of Portfolio and Asset Management, and two Vice Presidents of Portfolio Management. Reviews may also occur upon the acquisition, sale, financing or significant capital expenditure for a real estate related investment, or upon tenant activity, significant income or expense events, or unforeseen market activity.

Clients receive at least quarterly and annual reports on account activity and operations. Each report is customized to the requirements of the client and is governed by the investment management agreement with the client. Clients may request specialized reports upon written request.

CLIENT REFERRALS AND OTHER COMPENSATION

From time to time we may engage others to refer clients to us for compensation. In those instances, the amount of the compensation to be paid and other important information are disclosed to the prospective client as required by law.

CUSTODY

At such times as we are deemed to have custody of client funds or securities, clients will receive account statements from the bank or other qualified custodian. This may take the form of an email notification with instructions on accessing information through the custodian's online information system. Clients should carefully review those statements, and are urged to compare the statements they receive from the qualified custodian with those they receive from us.

INVESTMENT DISCRETION

We accept discretionary authority to manage clients' real estate related investments. Clients generally limit this authority by establishing guidelines for acceptable property types, geographic regions, amounts of debt financing, minimum occupancy levels and the relationship of the asset value to its replacement cost.

VOTING CLIENT SECURITIES

We do not acquire securities for client accounts for which proxies are solicited. Our business is limited to providing investment management and supervisory services to clients who desire to acquire real estate related investments. The extent and nature of our power and authority over real estate related investments acquired for clients is contained in the investment management agreement with the client, or in the client's limited partnership agreement or limited liability company agreement. If a client invests in a real estate related investment over which we do not have the power to control management and the investment management agreement does not specify the terms and conditions under which we may exercise voting control on behalf of the client, we will seek direction from the client and act in accordance with its direction. Clients may obtain information from us about how we voted, together with a copy of our voting policies and procedures, at any time upon request.

FINANCIAL INFORMATION

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

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