



**Part 2A of Form ADV: Firm
Brochure Item 1-Cover Sheet**

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This brochure provides information about the qualifications and business practices of JCR Capital. If you have any questions about the contents of this brochure, please contact us at the telephone number and/or email address above. 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. JCR Capital’s CRD/IARD # is 165022.

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

JCR Capital is a registered investment adviser. Registration with the SEC does not imply a certain level of skill or training.

Item 2 Material Changes

On March 31, 2018, JCR Capital Investment Corporation (“JCR Capital”) filed its Annual Updating Amendment Brochure. In the March 31, 2018 Brochure, we stated that since our last annual updating amendment of March 31, 2017, JCR Capital hired a full time Chief Compliance Officer (“CCO”) and that we made material updates to conflicts of interest disclosures regarding affiliate and control person relationships with JCR Capital, including conflicts related to the selection of advisory committee members and co-investment funding. In addition, JCR Capital launched a new private real estate fund with a focus on a value-add investment strategy.

JCR Capital is filing this other-than-annual update to its March 31, 2018 Brochure to reflect the following changes:

- Item 4 was updated to reflect the purchase of JCR Capital and its affiliates by Walker & Dunlop Investment Management, LLC, a wholly owned subsidiary of Walker & Dunlop, Inc., in April 2018.
- Changes throughout the Brochure in an effort to improve and clarify the descriptions of its and its affiliates’ business practices, potential conflicts of interests and compliance policies and procedures.

We encourage all recipients to read this Brochure in its entirety.

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Item 4 Advisory Business

JCR Capital Investment Corporation (“JCR Capital”) serves as the registered investment adviser entity to our affiliated private real estate investment funds (collectively, “JCR Funds” or each a “Fund”) and institutional managed accounts (“Managed Accounts”). Our affiliate, JCR Capital Investment Company, LLC (“JCRCIC” or “General Partner”), serves as general partner to the JCR Funds. We prepare and file a single ADV pursuant to the 2012 ABA No-Action Letter. We may refer to JCR Capital Investment Corporation and JCRCIC collectively as “JCR Capital”.

JCR Capital was founded in October 2008 as a Delaware corporation by Jay Rollins and Maren Steinberg. In April 2018, JCR Capital Investment Corporation and its affiliates were sold to Walker & Dunlop Investment Management, LLC, a wholly owned subsidiary of Walker & Dunlop, Inc. (“W&D”). W&D is a publicly held corporation. As such, JCR Capital Investment Corporation and JCRCIC are now indirectly wholly owned subsidiaries of W&D. Mr. Rollins serves as JCR Capital’s President and Maren Steinberg as Chief Investment Officer and Executive Vice President (collectively, the “Principals”). More information about JCR Capital’s executive officers may be found on our ADV, Part 1, Schedule A.

JCR Capital targets “middle market opportunities” which the Principals consider as properties that are approximately \$50 million or less in value, typically with non-institutional ownership. We offer our investors access to middle market real estate investment opportunities through the JCR Funds, and Managed Accounts. We specialize in investing in commercial real estate opportunities and transactions where liquidity is required, and employ two general types of transactions to accomplish our JCR Fund and Managed Account clients’ investment objectives: (1) Distressed/Capital Appreciation Investments (typically participating debt, preferred equity or *pari passu* equity transactions); and (2) Debt Investments (typically in the form of first trust loans). These opportunities may arise in the form of, among others, discounted note payoffs, distressed debt acquisitions and debt financing, project recapitalization and restructuring, bank recapitalization, short-term bridge loans and other opportunities secured by real estate. We typically focus on the following types of property asset classes: office, multi-family, industrial, retail, condominiums and land, and to a lesser extent hospitality.

JCR Capital currently manages the following JCR Funds:

- JCR Commercial Real Estate Finance Fund IIIA(Q), L.P. (“Fund IIIA(Q)” and together with Fund IIIA LP, “Fund IIIA”)
- JCR Commercial Real Estate Finance Fund IIIB(Q), L.P. (“Fund IIIB(Q)” and collectively with Fund IIIA and Fund IIIB LP, “Fund III”)
- JCR Income Plus Fund IV, L.P. (Q) (“Fund IV (Q)” and collectively with Fund IV 1660 and Fund IV (Q), “Fund IV”)
- JCR Milwaukee Industrial Facility Investors 2, LLC

Our private funds focus primarily on two strategies: Fund III focuses primarily on opportunistic investments, while Fund IV focuses primarily on value-add investments. For our Managed Account senior first mortgage debt program, we provide senior bridge loan and institutional debt origination, servicing and asset management services on a non-discretionary basis. We may also advise Managed Accounts on triple-net products or other institutional real estate investment products. JCR Milwaukee Industrial Facility Investors 2, LLC was formed to facilitate co-investment opportunities.

JCR Capital sponsors and borrowers are typically middle market operating sponsors who put a high value on speed and dependability of their capital partners as they often have short-term (30-45 day) time constraints and there is frequently some degree of difficulty to their transaction that is prohibitive

for traditional financing sources.

JCR Capital manages the JCR Funds in accordance with the terms of each JCR Fund's private placement memorandum, limited partnership agreement ("LPA") (or similar agreement) and other governing agreements (collectively, the "Offering Documents"). Investors in the JCR Funds ("Limited Partners") may not impose investment restrictions on the types of investments made by the JCR Funds. Although our services are specifically tailored to meet the investment objectives of our JCR Funds and Managed Accounts, our advisory services are not specifically tailored to individual needs of the Limited Partners. Our Managed Account program strategy will be tailored to the investment objectives of the client and may include investment recommendations across the opportunistic or value-add spectrum with flexible debt characteristics such as longer duration transactions, a more or less diversified portfolio, and may have more flexible LTV requirements.

From time to time and in its sole discretion, JCR Capital has the authority and discretion to waive, alter or otherwise modify many of the requirements generally applicable to the Limited Partners under the Offering Documents. For example, the General Partner may with respect to certain Limited Partners waive entirely, defer and/or alter the management fee and/or carried interest; waive the minimum investment amount; grant co-investment rights; and offer additional and/or specialized reporting or information about the applicable JCR Fund. These waivers or modifications are made pursuant to separate written agreements ("side letters") between the JCR Funds and the Limited Partners involved. JCR Capital enters into these side letters when it believes that doing so does not otherwise contravene applicable laws and regulations and JCR Capital's responsibilities as a fiduciary to the JCR Funds.

JCR Capital may also from time to time form pooled investment vehicles to invest alongside a JCR Fund ("Co-Investment Funds"). Limited Partners are offered co-investment rights at the time of their initial subscription to a JCR Fund and are required to execute a side letter with JCR Capital to receive such rights. Co-investment rights are generally not offered to Limited Partners after their initial subscription to a JCR Fund.

As of 12/31/2017, JCR Capital had regulatory assets under management of approximately \$446,766,510 in assets managed on a discretionary basis in JCR Funds, and \$314,463,162 managed on a non-discretionary basis in Managed Accounts. Our total regulatory assets under management as of 12/31/2017 was \$761,229,672. We have 9 total accounts.

Item 5 Fees and Compensation

JCR Capital receives management fees from the JCR Funds ("Management Fees"). Management Fees are set forth in each JCR Fund's respective Offering Documents, and are typically between one and a half percent (1.5%) and two percent (2%) per year depending on the amount of capital committed. Certain JCR Funds will charge a Management Fee based on committed capital during a certain time period, which is expected to align with the investment period of the Fund, and then after the designated time period, will charge Management Fees based on invested capital or aggregate unreturned capital contributions. Depending on the JCR Fund, Management Fees are typically paid in advance on the first day of each successive quarter. Installments of the Management Fee payable for any period other than a full quarterly period generally are adjusted on a *pro rata* basis according to the actual number of days in such period. Each JCR Fund may have a different investment period and different time periods for triggering step-down in Management Fees, so we encourage Limited Partners to read the Offering Documents carefully. Management Fees are deducted from LP capital distributions.

In addition to the Management Fee, the General Partner typically receives a carried interest as a profit participation distribution from the respective JCR Fund ("Carried Interest") of twenty percent (20%) of profits from all qualified client and qualified purchaser Limited Partners in the respective JCR Fund

as further described in Item 6 below. Although Management Fees are not negotiable after the final closing of the respective Fund, from time to time, in JCR Capital's sole discretion, the Management Fee, Carried Interest, or other terms of the Offering Documents may be waived entirely, altered, or negotiated through a "side letter" agreement executed by JCR Capital and the respective Limited Partner or Managed Account client. To the extent that JCR Capital, its principals and employees, and their respective families and friends, are Limited Partners, JCR Capital, at its discretion, have, and may in the future, reduce or waive entirely, Management Fees and/or Carried Interest. As noted below, co-investment agreements with certain Limited Partners are contained in side letters.

In instances in which JCR Capital originates an investment that (i) requires capital beyond a JCR Fund's capabilities or is otherwise permitted by such JCR Fund's Offering Documents, and (ii) JCR Capital earns co-investment or similar fees from a third-party capital provider to consummate the investment (such fees, "Co-Investment Fees"), the General Partner will be entitled to retain one hundred percent (100%) of such Co-Investment Fees, which may include origination and asset management fees. Co-investment participants execute a separate agreement setting forth the terms of their investment, including the types and amounts of fees paid to JCR Capital.

Each JCR Fund will pay, or reimburse the General Partner, or its affiliate, for any organizational expenses and partnership expenses as defined in each JCR Fund's respective Offering Documents. Generally, we deduct all fees and expenses prior to allocating distributions to the Limited Partners. Preferred return, return of capital and profit distributions are made at the discretion of JCR Capital. Organizational expenses generally include out-of-pocket expenses reasonably incurred in connection with organizing the JCR Funds and marketing them to prospective Limited Partners (e.g., legal, accounting and administration fees, filing fees), including, without limitation, travel (which may include expenses for first class or business travel) and entertainment expenses, printing fees and the production of marketing materials. At our discretion, we may provide that Limited Partners will have no obligation to pay organizational expenses until the applicable JCR Fund has received a certain amount of gross income or capital commitments, and we may cap the amount of organizational expenses for which Limited Partners are responsible on a pro-rata basis, as set forth in the applicable JCR Fund's Offering Documents.

JCR Fund partnership expenses generally include, without limitation, legal, tax, accounting, auditing, administration and other professional advice and the advice of other consultants and experts on behalf of the JCR Funds; indemnification and indemnity expenses; expenses related to the potential acquisition, holding, servicing and sale of investments; expenses related to sourcing, underwriting, conducting due diligence, bidding on and structuring investment transactions (regardless of whether or not such investments are consummated), including fees and commissions, travel (which may include expenses for first class or business travel) and entertainment expenses, and brokers' fees and commissions related thereto; costs and expenses related to the monitoring of completed investments; Management Fees; LP Advisory Committee ("LPAC") meeting expenses; insurance premiums related to E&O and other insurance; taxes and governmental charges; bank and custodial fees and charges; expenses in connection with preparing the applicable JCR Fund's financial statements, tax returns and filings (including Schedule K-1s) and otherwise preparing and circulating reports to Limited Partners; expenses related to organizing and maintaining entities, such as holding companies, through or in which investments will be made, including accounting and related software expenses, registered agent fees and other operating expenses; costs associated with borrowing including principal, interest and other fees, charges and costs associated with the borrowing of funds to the extent permitted by the applicable JCR Fund's Offering Documents; extraordinary expenses of the applicable JCR Fund, including fees and expenses associated with any tax or other audit, investigation, settlement or review of the JCR Fund; expenses incurred by the General Partner in serving as the tax matters representative; costs and expenses incurred by the JCR Fund in connection with defaulting Limited Partners; costs and expenses for terminating dissolving and winding up of the JCR Fund; and other expenses properly chargeable to the activities of a JCR Fund. JCR Capital or JCRCIC will generally not be entitled to

special fees with respect to underwriting or other services performed with respect to investments. The JCR Funds will not pay general overhead expenses of JCR Capital. Partnership expenses are generally paid by JCR Capital and are reimbursed to JCR Capital by the applicable JCR Funds in accordance with our expense allocation policies. See Item 12 for a description of JCR Capital's brokerage practices.

The expenses described above do not include every possible expense a JCR Fund may incur. Each JCR Fund may define organizational and/or partnership expenses differently, so we encourage investors to read the applicable JCR Fund's Offering Documents carefully.

For Managed Account clients, any management fees and expenses will be set forth in an agreement on a client-by-client basis, and may include sharing of origination and exit fees, asset management and servicing fees, loan interest payments and costs, and expenses associated with maintaining the account.

As described above, JCR Capital may provide one or more Limited Partners the opportunity to co-invest in an investment alongside a JCR Fund. When a co-investor, such as a Limited Partner or affiliated co-investment vehicle, co-invests with JCR Capital in an investment, such co-investment participants execute a separate agreement setting forth the terms of their investment, including the types and amounts of fees paid to JCR Capital. Such fees typically include origination and asset management fees, but may be reduced or waived at JCR's discretion. This represents a conflict of interest because this may allow some Limited Partners or affiliated co-investment vehicles to pay substantially lower or no fees to JCR Capital than Limited Partners in the JCR Funds. A co-investment vehicle generally does not bear broken-deal expenses, which are generally allocated entirely to the applicable JCR Fund.

In certain circumstances, one JCR Fund may pay an expense common to multiple legal entities within the same Fund family, and may be reimbursed by the other JCR Funds within such JCR Fund family, without interest. While highly unlikely, it is possible that one of the other JCR Funds could default on its obligation to reimburse the paying JCR Funds.

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

The allocation of profits and losses and return of capital contributions in each respective JCR Fund is set forth in each respective JCR Fund's LPA. Each JCR Fund's LPA generally sets forth that the General Partner shall be allocated twenty percent (20%) of the profits of the JCR Fund after application of the JCR Fund's preferred return, return of capital and write downs (typically referred to as "Carried Interest" or the "Promote").

Pursuant to the master investment advisory agreement entered into between JCRCIC and JCR Capital, JCRCIC pays JCR Capital a portion (40% for Fund III and 40% for Fund IV) of the Carried Interest collected by JCRCIC as the general partner of the JCR Funds as a performance allocation.

The terms of the return of capital and profit participation may vary for each JCR Fund or client. Investors should review the applicable JCR Fund Offering Documents for further details. Furthermore, JCR Capital may waive or lower Carried Interest with respect to certain persons as described above. All performance-based fees are calculated and paid in accordance with Section 205 and Rule 205-3 of the Investment Advisers Act of 1940 (the "Advisers Act").

The potential of earning Carried Interest may motivate JCR Capital to make more speculative investments on behalf of the JCR Funds than it would otherwise make. However, this risk is mitigated by the requirement that Limited Partners receive a return of invested capital plus a preferred return,

which creates an incentive for JCR Capital to balance risk and reward potential, as any losses will need to be regained before performance-based fees are received. As described in more detail in Item 8 below, JCR Capital has adopted allocation policies designed to treat all JCR Funds fairly and equitably in accordance with the applicable Offering Documents.

Item 7 Types of Clients

JCR Capital's clients are the JCR Funds and Managed Accounts. Each JCR Fund's Offering Documents set forth its respective investor minimum capital commitment generally ranging from \$500,000 for individuals and \$5 million for institutional investors, but such amounts may be and have been reduced with the prior agreement of JCR Capital. For Managed Accounts, minimum contract amounts are determined on a contract-by-contract basis and depend on the investment strategy.

JCR Fund interests are offered and sold generally to investors that are (i) "accredited investors" as defined under Regulation D of the Securities Act of 1933, as amended (the "Securities Act") and (ii) "qualified clients" as defined under the Advisers Act or other "knowledgeable employees" of JCR Capital.

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

We specialize in investing in real estate debt and equity transactions. JCR Capital will make investments in commercial real estate and seek to provide Limited Partners with attractive risk-adjusted returns and principal protection. We seek to provide Limited Partners with current cash flow and long-term capital gains, by having a diversified portfolio of debt, participating debt, preferred equity and equity investments (collectively, "Investments"). Our JCR Fund strategies currently have two primary focuses: (i) value-add investments with current cash flow in equity verses debt structures and (ii) opportunistic investments across the debt and equity spectrum.

Our methods of analysis and investment strategies are set out in greater detail in each JCR Fund's Offering Documents. We encourage all investors to carefully review the applicable JCR Fund Offering Documents.

JCR Capital targets "middle market opportunities" in the commercial real estate market which the Principals consider as properties that are approximately \$50 million or less in value, typically with non-institutional ownership. Our investment strategy will typically focus on commercial real estate opportunities where liquidity is required and such opportunities meet each JCR Fund's underwriting guidelines. Each JCR Fund's investment structure may include debt, participating debt, preferred equity and *pari passu* equity, and in some cases, the acquisition of fee simple real estate. In most cases, the JCR Funds will co-invest with experienced sponsors who identify specific opportunities, negotiate the deal terms and then actively manage the investments ("Sponsors").

The investment strategy for our Managed Accounts focuses on middle-market senior first mortgage debt and may include triple-net or other institutional real estate investment products. Our Managed Accounts are typically managed on a non-discretionary basis and the client approves all investment transactions. As such the types of debt investments and terms may be driven by the specific objectives and requirements of the client.

The types of investment opportunities that we seek out for our JCR Funds include, but are not limited to:

- i. Discounted note payoffs (DPO's)
- ii. Distressed debt acquisition

- iii. Distressed debt financing
- iv. Project recapitalization and restructures
- v. Good bank/bad bank recapitalizations
- vi. Short term bridge loans (hard money loans)
- vii. Value-Add transaction acquisitions
- viii. Opportunistic acquisitions
- ix. Other special situations secured by real estate that JCR Capital deems appropriate

In addition, opportunistic investments include, but are not limited to:

- i. Office properties
- ii. Multifamily properties
- iii. Industrial properties
- iv. Retail properties
- v. Condominiums
- vi. Land/lots (JCR Funds will focus on finished lots)

JCR Funds' investments are generally subject to investment matrix thresholds to diversify portfolio holdings across security types, asset class and geography. Moreover, we will not make investments in hospitality or health care assets, nor will we generally engage in new construction (ground up) investments.

Through our platform, the JCR Capital Principals have capitalized on their 25-year career in middle market commercial real estate finance to create a fully-integrated asset management firm with the following attributes:

- **Robust Sourcing** – JCR Capital generated approximately \$21.3 billion in inbound requests in 2017 and selected less than 2% in which to invest.
- **Credit Underwriting/Structuring** – A focus on bespoke structures for fund investments designed to protect investment principal and provide investors with high income and the potential for capital gains with preferred and other equity investments.
- **Asset Management** – A proactive asset management function which, along with structuring, has been key to the Principals' history of principal protection.
- **Industry Leadership and Education** – Mr. Rollins' book "Commercial Real Estate Uncovered" articulates much of JCR Capital's overall investment process and is used as a training manual at JCR Capital and other real estate firms. Mr. Rollins writes frequent market updates which he shares with the JCR Capital community (investors, operators, brokers) as well as prominent business publications.
- **Flexibility** – JCR Capital's approach allows it to pivot with market circumstances by region, asset type and security type to seek assets that we believe will bring attractive risk adjusted returns for Fund IV.

JCR Capital believes its investment approach provides for potentially successful investment outcomes which are not predicated on market timing and are designed to be resilient throughout the economic cycle.

Investment returns

We strive to create a diversified portfolio of both current yield investments and capital appreciation

investments. This strategy seeks to provide Limited Partners an annual current return, while also providing long-term capital gains. JCR Capital will seek to target high blended internal rates of return, net of fees.

Investment process and due diligence

JCR Capital uses a credit underwriting approach for all the security types of debt, preferred equity and other equity. JCR Capital's current underwriting emphasizes two important components: principal protection and capturing potential upside.

Typical debt-like characteristics of a preferred equity or equity investment include, but are not limited to:

- Maturity date (6-36 months) which matches the business plan of the investment
- Performance hurdles for the operator (e.g., occupancy or debt yield hurdles)
- Control provisions so that JCR Capital can take over the asset in the event of a default or force a sale
- Cash flow sweeps
- Cross collateralization

Conversely, JCR Capital uses equity-like components to capture any upside from the asset's performance. These characteristics include, but are not limited to:

- Preferred return
- Profit participation
- Control and decision rights
- Forced sale provisions

Underwriting / Investment Approval

Investment approval processes depend on whether JCR Capital's management of a client is discretionary or non-discretionary. We have enhanced our underwriting and investment evaluation process over time which include the following:

Phase I – Preliminary Review

An investment professional initially screens requests and sorts through transactions based on their merits and likelihood of closing. A JCR Capital professional will begin to interact with the broker and/or Sponsor to learn more details about the opportunity and review material on the proposed transaction. If the opportunity is deemed to be promising, a preliminary transaction summary is written up and presented to the preview committee.

Phase II – Deal Summary, Term Sheet and Site Visit

If an opportunity is approved by the preview committee, a letter of intent or soft quote is issued by JCR Capital. If the soft quote is generally agreed to, the transaction team will dive deeper into the underwriting for the transaction. The transaction team contacts other local market professionals and economists to obtain their opinions about the property, its immediate market and the surrounding economy. The results of the additional underwriting and analysis are memorialized in a deal summary

which is presented to the Chief Investment Officer for review. Once approved, a term sheet is prepared and both the deal summary and term sheet are presented to the preview committee. Upon full execution of the term sheet, a due diligence deposit and legal deposit is collected for travel, underwriting and legal expenses. Upon receipt of the deposits, JCR Capital schedules a site visit. The site visit also includes a market review and research on the economic and demographic dynamics of the property's location.

Phase III – Due Diligence and Investment Committee Vote

In addition to the site visit, a variety of third party reports are ordered including a background check of the applicable Sponsors, legal review, appraisal, property condition report and environmental review. JCR Capital may begin with many of the Sponsors' existing third-party reports and subsequently make a determination as to which additional third-party reports JCR Capital will require from independent sources. The transaction team then begins an independent process of validating the assumptions surrounding the transaction. JCR Capital synthesizes the information obtained in all phases of analysis to fully build out its model with stress tests and a variety of breakeven scenarios. Given JCR Capital's emphasis on principal protection, every investment requires multiple exit alternatives, which are plotted out prior to making an investment. All of this information is summarized in an investment memo, which is presented to the Investment Committee for review, discussion and vote. If the transaction is approved, JCR Capital moves forward to close the investment with third party legal representation preparing closing documentation on behalf of, and under the direction of, JCR Capital.

Risk of Loss

Each JCR Fund and its investors bear the risk of loss that JCR Capital's investment strategy entails. While the discussion below enumerates certain risk factors that apply generally to an investment in a JCR Fund, the following discussion does not describe all of the risks that may potentially be faced by a JCR Fund. Each JCR Fund's Offering Documents contain a detailed discussion of risk factors. Prior to making any investment in a JCR Fund, investors should carefully review the respective JCR Fund Offering Documents for a full discussion of risks and conflicts of interest specific to such JCR Fund. Our institutional bridge loan and debt program investments have similar risks. There can be no assurance that JCR Capital will achieve the investment objectives of each JCR Fund and a loss of investment is possible.

Market Risks and Economic Conditions

The ability of any JCR Capital client to make investments will be driven in significant part by economic conditions in the United States, which will fluctuate with local and national economic conditions, such as job availability, interest rates and inflation rates. Other risks may include: loss of the underlying property due to acts of God, terrorist attack or other destructive forces, credit market disruptions, the U.S. National Deficit, acts of the U.S. Congress or other political bodies, rising energy prices or any other factors that affect the value of real estate.

Market and Competition

Market demand and competition for transactions in which the JCR Fund and Managed Account clients invest may fluctuate such that deal flow may not be adequate to allow the JCR Funds and Managed Accounts to make investments in sufficient volume or at sufficient profit, or to make distributions to the Limited Partners. Moreover, cash flow from fund operations is dependent on making investments. There are and will be no other assets available for generating profits for our clients.

Real Estate Risks

Further, investment in real estate debt or equity, including Limited Partner interests in the JCR Funds, will be subject to risks generally associated with investments in real estate, including, but not limited to, national economic conditions, future increases in real property taxes, changes in real estate values, environmental requirements, national and local recession, unanticipated inflationary rates in labor and other costs, unanticipated construction or capital improvement costs caused by changes in zoning laws, building codes and other governmental laws, rules and regulations and acts of God, such as earthquakes, floods, storms and other weather-related activities which may result in uninsured losses, all of which are beyond the control of JCR Capital.

Investments may face all of the risks inherent in an investment in real property. Investment in the interests in the JCR Funds, or in institutional real estate debt, should be regarded as the placing of funds in a high risk, newly formed, start-up company likely to experience many of the unforeseen costs, expenses, problems and difficulties to which such companies are often subject.

Possible Environmental Liabilities

Certain Investments may be subject to various risks under environmental laws resulting from prior uses or other causes. Under various federal, state, and local laws, ordinances, and regulations, the Sponsors or the JCR Funds may be liable for the costs of removal or remediation of, or contamination by, certain hazardous or toxic substances emanating from the real property held by the JCR Fund or a special purpose entity, or from nearby properties owned by others, regardless of whether JCR Capital or any of its affiliates knew of such contamination. Such liability could exceed the value of the asset and/or the total assets of the applicable JCR Fund or adversely affect the applicable JCR Fund's ability to sell the asset, or to refinance any indebtedness using the asset as collateral. However, JCR Capital generally performs environmental assessments prior to investment as part of the due diligence process.

Reliance on Management

JCR Capital's success is heavily dependent on its Principals, Jay Rollins and Maren Steinberg. The Limited Partners will not have any right to participate in the management of their respective JCR Fund's business. Because the success of any JCR Capital client will be dependent, in large part, upon the personal efforts and abilities of the Principals, if either of them were no longer affiliated with JCR Capital and if no suitable substitutes were found to replace them, the Limited Partners' interests in the JCR Funds or any assets managed by JCR Capital could be adversely affected.

Risk of Private Debt and Equity Investments

Private debt and equity investments involve a high degree of financial risk. There can be no assurance that investments by any JCR Fund or Managed Account clients will be profitable or that substantial losses will not occur. The real estate projects and loans in which JCR Fund or Managed Account clients invest are often dependent on the skills of a small number of executives and are vulnerable to changes in technology, fluctuations in demand for their products, changing interest rates and other factors. There can also be no assurance that the JCR Fund or Managed Account clients will be repaid, be able to sell or otherwise liquidate its Investments at the optimal time or price. Therefore, there can be no assurance that the rate of return objectives of the clients will be realized or that there will be any return of capital to the Limited Partners or Managed Account clients.

Debt instruments are subject to credit and interest rate risks. Credit risk refers to the likelihood that an obligor will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an obligor are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit

risk may change over the life of an instrument and securities and other debt instruments which are rated by rating agencies are often reviewed and may be subject to downgrade. Interest rate risk refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) or directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

Risk Related to Commercial Loan Servicing

Commercial loan or mortgage servicing poses financial risks related to the administration of commercial real estate loans, including the possibility of accounting errors, calculation payments, and default risk of the borrower. There are also potential conflicts of interest related to JCR Capital acting as the loan originator, asset manager and servicer. Such conflicts are mitigated through non-discretionary approval of all loan investments by the client, which also hold custody of such loan assets.

Fees

The return to the Limited Partners from investing in any JCR Fund or Managed Account will be affected by the Management Fees, Carried Interest, Managed Account fees and other applicable costs and expenses payable to JCR Capital.

Time Required to Maturity or Deployment of Investment

Any JCR Fund's maturity phase may be long and investments are generally highly illiquid. As such, it may take many years from the date of the initial closing of any JCR Fund for Limited Partners to receive a return of capital and profits, if any. In addition, Limited Partners' called capital or invested capital returned to the JCR Fund may sit in cash or cash equivalents for some time until deployed into real estate investments or distributed to Limited Partners creating a drag on such JCR Fund's internal rate of return ("IRR").

Default Risk

JCR Capital may issue debt securities (loans) as part of its investment program. As with any loan, adverse economic or business developments may adversely affect the ability of such borrowers to comply with their loan repayment obligations, as well as the ability of sponsors or borrowers to obtain credit at desired levels, cost or terms.

Concentration Risk

JCR Fund and Managed Account clients could be impaired by the concentration of investments in a particular obligor, company, industry or geographic location. In addition, defaults may be highly correlated with particular obligors, industries or geographic locations, which can affect payments on the loans, the overall timing and amount of collections on the loans or realization of capital recovery or profits on investments held by JCR Funds or a Managed Account client.

Lack of Market Liquidity

There is no organized public market for the interests in any JCR Fund and it is not expected that any organized public market will develop in the future.

Cybersecurity and Identity Theft

JCR Capital and each JCR Fund generally rely on information technology systems for current and planned operations. Information and technology systems of JCR Capital may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, JCR Capital and/or a JCR Fund may have to make a significant investment to fix or replace them. Any disruption in any of these systems or the failure of any of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect the JCR Fund's investment results and its ability to make distributions to its Limited Partners. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the JCR Capital's and/or the JCR Funds' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm JCR Capital's or the JCR Funds' reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Restrictions on Transfer

The JCR Funds' Offering Documents contain transfer restrictions on the JCR Fund interests. Limited Partners may be required to pay a transfer fee for each proposed transfer of their JCR Fund interests, which fee shall be non-refundable, notwithstanding that a transfer may not be subsequently approved. Any transfer of JCR Fund interests is subject to prior compliance with or exemption from applicable securities laws and the condition that the transfers will not result in a termination of the applicable JCR Fund for federal income tax purposes or otherwise adversely affect the tax status of the JCR Fund. The refusal of JCR Capital to make a "Section 754 Election" to adjust the basis of any JCR Fund property upon a transfer of a Limited Partner's interests in such JCR Fund may create adverse tax consequences to the transferee and thereby pose an additional impediment to the transferability of the interests. In addition, a Limited Partner generally may not withdraw his, her or its capital contribution from the JCR Fund prior to dissolution.

No Guarantee of Distributions

JCR Capital and JCR Fund Limited Partners may not receive any cash distributions (except for Management Fees for JCR Capital). Further, JCR Capital and JCR Fund Limited Partners may be allocated profits, resulting in taxable income to such Limited Partners, but not receive any distributions from the applicable JCR Fund to pay such taxes. Any distributions are totally dependent upon receipt of proceeds from loans and equity investments made or acquired by the applicable JCR Fund. There are no assurances that any JCR Fund will receive repayment of any loans made or acquired by such JCR Fund.

Timing of Co-Investment Distributions

In connection with any Co-Investment Fund or entities investing alongside a JCR Fund (each, a "Co-Investor"), when an investment generates income, a return of capital or is realized ("Receipts"), JCR Capital will distribute such Receipts to the applicable JCR Fund and the Co-Investor simultaneously. Due to administrative functions that must be performed at the JCR Fund-level, Co-Investors have

received, and may in the future receive, these Receipts before the Limited Partners in the applicable JCR Fund. The Co-Investor's Receipts are distributed to such Co-Investor, and the applicable JCR Fund receive its pro-rata portion of such Receipts. At that time, the General Partner has discretion to recycle funds received by the JCR Fund to make new investments or distribute excess capital to the Limited Partners.

Limited Rights of Limited Partners

Limited Partners will be unable to exercise any management functions with respect to the JCR Funds. The rights and obligations of the Limited Partners are governed by the provisions of the Delaware Uniform Limited Partnership Act and other applicable Delaware statutes and by the respective JCR Fund's LPA. Limited Partners will have limited rights to remove the General Partner, as set forth in the respective JCR Fund LPA.

Limited Partners' Potential Liability to Creditors

A Limited Partner's liability to creditors of a JCR Fund is limited to the Limited Partner's capital contribution and undistributed profits. However, if a Limited Partner has received distributions as a return of its capital contribution, such Limited Partner may be required by the Delaware Uniform Limited Partnership Act and other applicable Delaware statutes to make a contribution of the returned contribution to the applicable JCR Fund to the extent necessary to discharge certain of such JCR Fund's liabilities to creditors.

Indemnification Obligations

The JCR Funds are typically obligated to indemnify JCR Capital and its affiliates and agents against certain civil liabilities, including those under the Securities Act and the Securities Exchange Act of 1934, as amended, and certain other potential liabilities. If a JCR Fund is required to indemnify JCR Capital or such other parties, such JCR Fund would have to expend its capital, thereby reducing the amount of funds available by the JCR Fund to invest or to distribute to the Limited Partners.

Valuation of JCR Fund Investments

Most private equity and real estate investments are highly illiquid, and there can be no assurance that a JCR Fund will be able to realize on such investments in a timely manner or at all. As such, disposition of any Investments may take a lengthy period of time or result in in-kind distributions. Such illiquid investments typically do not have independently verifiable prices by which JCR Capital can rely to determine the current fair market value of such securities.

The value of JCR Fund assets is determined in such manner as JCR Capital deems fair and reasonable. In making valuation determinations, JCR Capital may use particular pricing services, brokers, market makers or other intermediaries as it shall determine. JCR Capital may amend or replace those policies, or deviate from them, in its sole discretion. JCR Capital has a conflict of interest in that it may receive a higher Carried Interest if the Investments are given a favorable valuation.

Use of Third Party Marketers

JCR Capital may enter into fee sharing arrangements with third party marketers or solicitors who refer investors to JCR Capital to invest in a JCR Fund or to establish a Managed Account. Such third-party marketers may have a conflict of interest in advising prospective investors whether to purchase JCR Fund interests.

Other Potential Conflicts of Interest

With reference to the General Partner and JCR Capital, an “Affiliate” is (i) each member or employee of the General Partner or JCR Capital, including the Principals; (ii) any corporation, association, limited liability company, partnership or other entity of which the General Partner, JCR Capital or any member or employee of the General Partner or JCR Capital has direct or indirect control or is, directly or indirectly, a general partner, officer, or director; and (iii) any other person controlling, controlled by, or under direct or indirect common control with any of the foregoing. With reference to a Limited Partner, an “Affiliate” means any person controlling, controlled by, or under direct or indirect common control with such Limited Partner.

Conflicts of interest could arise in connection with investments for the JCR Funds, the Managed Accounts, Co-Investment Funds and other investment vehicles with which JCR Capital, the General Partner, the Principals or their Affiliates are currently, or may in the future be, involved. These investments could differ in substance, timing, and amount, due to, among other things, differences in investment objectives or other factors affecting the appropriateness or suitability of particular investment activities to the JCR Fund and Managed Account clients, or to limitations on the availability of particular investment opportunities.

JCR Capital or its Affiliates will allocate investment opportunities among its various client accounts in a manner they believe to be as equitable as feasible, considering each client’s objectives, programs, limitations in the applicable LPA, and capital available for investment. Nonetheless, all accounts will not necessarily be invested in the same portfolios. Except as set forth above, JCR Capital and its Affiliates also have no obligation to provide the JCR Fund or any other account with any particular investment opportunity or to refrain from taking advantage of an investment opportunity that could be beneficial to the JCR Fund and Managed Account clients.

JCR Capital does not employ fund-level leverage facilities to JCR Fund Investments. We do, however, use standard third-party subscription line credit facilities to close transactions during the capital call process prior to calling capital commitments. JCR Capital has discretion regarding the duration such credit facilities remain open. In rare cases, Affiliates, Co-Investors or other third parties have, and may in the future, provide capital to JCR Funds to facilitate the closing of a transaction, and such parties will be reimbursed by the JCR Funds for their respective pro-rata share of capital provided.

JCR Capital and its Affiliates may receive certain fees and income in connection with JCR Fund Investments and proposed Investments, such as Management Fees or Carried Interest. While certain of such fees and other income will be deemed received for and on behalf of the respective JCR Fund and shall be paid to the JCR Fund, conflicts may arise in connection with the payment of such fees and other income. Because Management Fees may be, and are, charged on capital commitments rather than invested capital during the investment period, projected or estimated Fund-level IRR calculations must take into account both current investment and our best estimate of future Fund investments, and JCR Capital must make certain assumptions, which may turn out incorrect, in calculating projected or estimated IRR for such Funds.

Any material conflicts of interest that arise between a JCR Fund or particular investors, on the one hand, and the General Partner or JCR Capital and their respective Affiliates, on the other hand, will be discussed and resolved on a case-by-case basis by JCR Capital and/or the Principals. Any such discussions will take into consideration the interests of the relevant parties and the circumstances giving rise to the conflicts. The LPAC may be requested by JCR Capital to review certain transactions involving potential conflicts of interest in accordance with the applicable LPA.

JCR Capital employees, including the Principals, may invest in other real estate investment vehicles managed by other advisers with approval of the JCR CCO. In some cases, real estate professionals

from other investment firms, or unaffiliated private funds, may also be investors in the JCR Funds.

In some cases, it may be possible for a JCR Fund or Managed Account to hold an equity interest in an investment that has an agency loan that was originated and serviced by W&D or its affiliate. In such cases, the interests of such JCR Fund or Managed Account may be in direct conflict with W&D or such affiliate.

Limited Partner Advisory Committees and Investment Committees

JCR Capital has discretion to appoint LPAC and Investment Committee members. LPAC members can be affiliated with JCR Capital. Upon selection, JCR Capital will promptly notify the Limited Partners of the identity of all LPAC members, including the LPAC member representatives, and any related conflicts of interest. Conflicts of interest regarding any individual's membership on the Investment Committee and/or LPAC are evaluated by the Conflicts Management Committee, and if appropriate, each JCR Fund's LPAC. Further, the composition of an LPAC of a JCR Fund may have substantial overlap with the composition of a LPAC for another JCR Fund, which could lead to conflicts of interest if there are transactions between such JCR Funds that require LPAC approval.

The JCR Fund Offering Documents generally provide that, to the fullest extent permitted by law, none of the LPAC members owe any duties (fiduciary or otherwise) to any other investor in respect of the activities of the LPAC, other than the implied contractual covenant of good faith and fair dealing.

JCR Capital or its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the JCR Funds and other clients that will not be subject to any Management Fee offset or otherwise shared with the clients and/or investors. For example, airline travel or hotel stays incurred as an account expense typically result in cash rebates, "miles," "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not *de minimis* or difficult to value, inure exclusively to JCR Capital and/or such personnel even though the cost of the underlying service is borne by the JCR Funds, other accounts and/or investors.

Item 9 Disciplinary Information

We are required to disclose to you if we have any legal or disciplinary events involving the firm or our officers or Principals that are material to your evaluation of our advisory services and the integrity of our management. As of the date of this Brochure, we have no disciplinary or legal events required to be disclosed.

Item 10 Other Financial Industry Activities and Affiliations

A full list of all affiliations is available on our ADV Part I, Schedule D, Items 7.A and 7.B. Please see www.adviserinfo.sec.gov.

Nick Newman is the manager of Soundview Real Estate Partners, an investment firm which manages private funds making real estate investments, and manager of SREP Capital and Partners I, LLC, and its affiliate SREP JCR Capital Associates, LLC (collectively referred to as "Soundview"). Soundview have, and may in the future, co-invest in transactions with the JCR Funds. This represents a conflict of interest in that as an Investment Committee member, Mr. Newman has access to information with respect to investments prior to consummating an investment transaction that is not otherwise available to other investors. Therefore, Soundview may receive more favorable treatment than other JCR

Capital clients. This conflict is mitigated through prohibition on allowing co-investments to compete with the JCR Funds or Managed Account clients, and through conflicts evaluation and monitoring of Mr. Newman's relevant outside investment and business activities by our Conflicts Management Committee and the relevant LPAC, as applicable.

JCR Capital Investment Company, LLC serves as the general partner of the JCR Funds and is affiliated with JCR Capital. JCRCIC is registered in accordance with SEC guidance under the Advisers Act pursuant to JCR Capital's registration.

W&D BE, Inc., Walker & Dunlop Investment Sales, LLC, and Walker & Dunlop, LLC (collectively, "RE Brokers") are real estate broker entities owned by Walker & Dunlop, Inc. JCR Capital's management persons include Richard Lucas (Walker & Dunlop's EVP, General Counsel and Secretary) and Stephen Theobald (Walker & Dunlop's EVP and CFO) as members of JCR Capital's board of directors, and who are executive officers of the RE Brokers. JCR Capital employees are employees of Walker & Dunlop, LLC and Walker & Dunlop, LLC will provide other corporate services to JCR Capital.

Special Purpose Entities

To the extent necessary to address tax or regulatory considerations, JCR Capital may create one or more parallel funds or special purpose vehicles or entities with terms and conditions generally comparable to those of the respective JCR Fund. The terms of such parallel funds or special purpose entities may vary from the terms of the JCR Fund, however, based in part on the structure of the relevant transactions, legal requirements and tax, accounting, business, regulatory or other considerations.

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

Code of Ethics

JCR Capital has adopted a code of ethics ("COE") pursuant to Rule 204A-1 of the Advisers Act. We will provide a copy of our COE to any client or prospective client upon request. Our COE recognizes that as an investment adviser to the JCR Funds, JCR Capital and its employees have a duty to place the interests of the JCR Funds ahead of their own, and an obligation to address and mitigate conflicts of interest or the appearance thereof. The COE sets out standards of conduct, both business and personal, for each employee and any Investment Committee member and addresses conflicts of interest that may arise from personal trading of securities by employees or any Investment Committee member and provides for disciplinary sanctions for COE violations. All employees and Investment Committee members must acknowledge the terms of the COE initially upon hire or appointment and annually thereafter.

JCR Capital's COE requires all employees and Investment Committee members to report securities holdings and transactions to the Chief Compliance Officer ("CCO") on a quarterly basis (a requirement which may be satisfied by providing the CCO with copies of personal brokerage statements). Although JCR Capital generally does not expect that it or its employees will come into possession of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security, the COE places restrictions on all JCR Capital employees' and Investment Committee members' personal trading activities to mitigate any risk of insider trading as follows:

Participation or interest in client transactions

JCR Capital (through the General Partner) may sell and repurchase JCR Fund interests to or from Limited Partners and may own an interest in the JCR Funds. Principals and employees of JCR Capital may also own interests in JCR Funds. JCR Capital, the Principals or any control persons, may not co-invest or provide financing for investments outside the JCR Funds. JCR Capital is also prohibited from participating in an investment transaction with a Limited Partner of a JCR Fund (e.g. buying or selling real estate, writing a note or purchasing equity from a Limited Partner or affiliate thereof).

Item 12 Brokerage Practices

Based on the nature of the investment strategies we employ for the JCR Funds we advise, we generally do not make use of securities broker-dealers in the traditional sense to buy and sell portfolio investments on behalf of the JCR Funds; rather most JCR Fund investments are made through privately negotiated agreements. Nonetheless, in implementing transactions for a JCR Fund, we take into account a range of relevant factors when hiring any third-party service providers or other intermediaries (e.g., placement agents) including, but not limited to, general expertise and background, stability or insolvency issues, efficiency in providing services, the type of the transaction involved and other similar factors.

JCR Capital does not receive research or have “soft-dollar” or “directed brokerage” arrangements with any broker-dealers or clients.

Item 13 Review of Accounts

Our JCR Fund Investments are monitored continuously by the Principals who supervise the managing directors. The deal team provides a comprehensive memo for each transaction, and all investments must be approved by each JCR Fund’s respective Investment Committee and periodically reviewed by the asset management team with Principal oversight. Our Limited Partners also receive quarterly unaudited financial statements and copies of our annual audited financial statements. In addition to the information provided to all investors, JCR Capital may provide certain investors with additional information or more frequent reports that other investors will not receive.

Item 14 Client Referrals and Other Compensation

We typically engage the services of a registered broker-dealer to serve as placement agent for JCR Fund investor commitments. We generally pay the placement agent a fee based on the capital commitments to the respective JCR Fund. Any placement fees paid to a placement agent are paid by JCR Capital. We may also engage unaffiliated finders, which may be Limited Partners in our JCR Funds, to refer potential investors to JCR Capital.

Item 15 Custody

JCR Capital uses a qualified, unaffiliated third-party custodian to hold the JCR Funds’ funds and, to the extent required pursuant to the Advisers Act and SEC guidance, securities. Although JCR Capital is deemed to have custody of the underlying assets of many of the JCR Funds, JCR Capital relies on the “pooled investment vehicles” exemption from the reporting and surprise audit obligations imposed by the SEC’s custody rule. Accordingly, the JCR Funds are generally subject to a year-end audit by a major accounting firm that is a member of, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are then provided to the underlying investors of the JCR Funds within 120 days of the end of the fiscal year.

Item 16 Investment Discretion

JCR Capital generally has discretionary authority to manage Investments on behalf of the JCR Funds. We typically assume this authority through a power of attorney or contract provision granted or entered into by, or through each JCR Fund's respective Offering Documents or our investment advisory agreement. Managed Accounts are managed on a non-discretionary basis. For Managed Accounts, after the client has approved an investment, JCR Capital is provided with discretionary authority with respect to asset management services.

Although JCR Capital generally does not allow clients to place limitations on this authority, JCR Capital may enter into side letters with certain Limited Partners whereby the terms applicable to such Limited Partner's investment in a JCR Fund may be altered or varied pursuant to the terms of the applicable LPA and as previously described.

Item 17 Voting Client Securities

Although JCR Capital believes that its investment strategy of investing in private debt and equity investments does not give rise to any situations that would involve voting proxies, it has adopted a proxy voting policy to ensure JCR Capital votes proxies in the best interest of the JCR Funds including where there may be material conflicts of interest. Current and prospective Limited Partners may request a copy of our proxy voting policy by contacting JCR Capital.

Item 18 Financial Information

As of the date of this Brochure, there exists no financial conditions that we are aware of that would be reasonably likely to impair our ability to meet our contractual commitments to clients.