
WINTHROP CAPITAL ADVISORS, LLC

7 Bulfinch Place, Suite 500

Boston, MA 02114

617-570-4600 (Phone)

617-742-4641 (Fax)

June 26, 2018

This Brochure provides information about the qualifications and business practices of Winthrop Capital Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at 617-570-4600. The information in this brochure has not been approved by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Winthrop Capital Advisors, LLC is an SEC registered investment adviser. Registration does not imply a certain level of skill or training.

Additional information about Winthrop Capital Advisors, LLC also is available on the SEC’s website at www.advisorinfo.sec.gov.

ITEM 2. MATERIAL CHANGES

Since August 2017, Winthrop Capital Advisors, LLC conducted its investment management business as an exempt reporting adviser, in reliance upon the private fund adviser exemption from SEC investment adviser registration. As an exempt reporting adviser, Winthrop Capital Advisors, LLC was required to assess annually whether it had \$150 million or more of private fund assets under management in the U.S. Following its most recent annual assessment, Winthrop Capital Advisors, LLC determined that it had in excess of \$150 million of private fund assets under management in the U.S. It has therefore applied for registration as an investment adviser with the SEC. This Brochure is part of its application for registration with the SEC.

As Winthrop Capital Advisors, LLC is now applying for registration with the SEC as an investment adviser, this is its first Brochure. Accordingly, there are no material changes from prior Brochures to be summarized here.

ITEM 3. TABLE OF CONTENTS

| | |
|---|--------------|
| ITEM 1. COVER PAGE | |
| ITEM 2. MATERIAL CHANGES | i |
| ITEM 3. TABLE OF CONTENTS..... | ii |
| ITEM 4. ADVISORY BUSINESS | 1 |
| ITEM 5. FEES AND COMPENSATION | 5 |
| ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT | 8 |
| ITEM 7. TYPES OF CLIENTS..... | 9 |
| ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS | 10 |
| ITEM 9. DISCIPLINARY INFORMATION..... | 38 |
| ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS..... | 39 |
| ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING | 39 |
| ITEM 12. BROKERAGE PRACTICES..... | 40 |
| ITEM 13. REVIEW OF ACCOUNTS | 41 |
| ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION | 41 |
| ITEM 15. CUSTODY | 41 |
| ITEM 16. INVESTMENT DISCRETION..... | 42 |
| ITEM 17. VOTING CLIENT SECURITIES | 42 |
| ITEM 18. FINANCIAL INFORMATION | 43 |

ITEM 4. ADVISORY BUSINESS

Winthrop Capital Advisors, LLC (“**Winthrop Capital Advisors**”, the “**Adviser**”, “**our**” or “**we**”), a Delaware limited liability company, is an investment management firm organized in 2016 to provide investment management services to Winthrop-Witkoff Co-Investment Fund L.P. (the “**Primary Fund**”), and affiliated funds organized (and to be organized) to co-invest along with the Primary Fund, in real estate-related assets. Winthrop Capital Advisors also provides back office and administrative services to affiliated and unaffiliated companies involved in the real estate business and these services constitute our primary business activity.

Since August 2017, the Adviser has conducted its investment management services as an “exempt reporting adviser” in reliance on an exemption from SEC registration available to investment advisers who act solely as advisers to private funds (such as the Primary Fund) and which have assets under management in the United States of less than \$150 million. Advisers relying on this exemption are required to make a partial initial and annual Form ADV filing with the SEC. This Brochure portion of the Form ADV is not required for an exempt reporting adviser. An exempt reporting adviser is required to assess annually whether it has \$150 million or more of private fund assets under management in the U.S. Following its most recent annual assessment, Winthrop Capital Advisors determined that it has in excess of \$150 million in private fund assets under management in the U.S. Accordingly, we have applied for registration as an investment adviser with the SEC. This Brochure is a part of our application for registration.

Winthrop Capital Advisors offers investment advisory services to private funds (sometimes, referred to in this document collectively as our “**clients**,” individually as a “**client**,” collectively as the “**Funds**,” or individually as a “**Fund**”), including the Primary Fund and affiliated funds organized to co-invest along with the Primary Fund in a particular syndicated co-investment opportunity sponsored by Winthrop-Witkoff Co-Investment Fund GP LLC (the “**Primary Fund General Partner**” or the “**Sponsor**”) or one of its affiliates. Our clients are typically organized as limited partnerships and, as noted above, the Primary Fund General Partner or an affiliate thereof serves as the general partner of each Fund we advise. Winthrop Capital Advisors serves as investment manager or investment adviser to each Fund. We specialize in investments in real estate and real estate-related assets. We do not currently offer advice on investments that are not related (directly or indirectly) to real estate. Typically, our advisory services include identifying and acquiring, on behalf of clients, real estate-related investments and subsequently managing such assets through disposition.

Winthrop Capital Advisors tailors its advisory services in accordance with each Fund’s investment strategy as disclosed in its offering documents (which typically include a private placement memorandum, partnership agreement and subscription agreement, each of which may be amended and/or supplemented, from time to time). These offering documents typically contain investment guidelines and/or investment restrictions imposed on the applicable Fund. Our investment professionals formulate investment strategies and render specialized investment advice to each of our clients.

All capitalized terms not otherwise defined in this Brochure have the meanings ascribed to them in the appropriate Fund's offering documents (*i.e.*, limited partnership agreement, Primary Fund PPM, etc.).

WEM-WCP LLC ("**WEM-WCP**"), a Delaware limited liability company, directly owns 100% of the Adviser. WEM-WCP is principally owned by Mr. Michael L. Ashner, who is also the Adviser's Chief Executive Officer.

The Primary Fund General Partner was organized as a venture between WEM-SM Holdings LLC (f/k/a Winthrop Capital Partners, LLC) ("**WEM-SM Holdings**"), an affiliate of the Adviser, and Witkoff EB-5 Capital Partners LLC ("**Witkoff EB-5**"), an affiliate of The Witkoff Group LLC ("**Witkoff Group**"). The Primary Fund General Partner, in turn, established the Primary Fund to invest primarily in EB-5 Immigrant Investor Program related real estate investments and to a lesser extent, in non-EB-5 real estate related investments, as more particularly described below under *Primary Fund Background*.

WEM-SM Holdings is led by Michael L. Ashner, who, along with the other members of the senior management team described in Section III, "*Sponsor Background – Winthrop Capital Partners*," of the Primary Fund Private Placement Memorandum dated July 2017 and the Primary Fund Confidential Private Placement Memorandum Supplement No. 1, (collectively, the "**Primary Fund PPM**") (collectively with Mr. Ashner, the "**WEM-SM Holdings Team**"), have invested in over 100 different transactions deploying more than \$2.2 billion in equity. These investments have ranged from less than \$5 million to more than \$240 million in the form of acquisitions of more than 112,000 apartment units, 75.6 million square feet of office, retail and industrial assets, and 11,900 hotel rooms across the U.S. Through this experience, the WEM-SM Holdings Team has developed a deep understanding of a variety of transaction structures, as well as a network of relationships that provides both investment sourcing capabilities and market knowledge.

Witkoff EB-5 is led by Steven Witkoff and Scott Alper and is an affiliate of Witkoff Group, a privately held, full-service real estate investment and development firm headquartered in New York City. Witkoff Group was founded in 1997 and currently owns a diverse portfolio of real estate assets and is actively developing a number of projects in selected gateway markets. Witkoff Group is the owner and developer of residential, hospitality, retail, office and mixed-use projects. It has experience acquiring and executing complex deals including asset repositioning, restructuring, and distressed workouts. Over a 20-year period, Witkoff Group has been involved in over 75 projects comprising more than 18 million square feet and representing in excess of \$10 billion in total transaction value. Witkoff Group is also one of the largest nationwide sponsors of EB-5 projects, having successfully raised nearly \$750 million in EB-5 financing across five projects.

Primary Fund Background

In 1990, Congress created the EB-5 Immigrant Investor Program to stimulate the U.S. economy through capital investment by foreign nationals seeking a legal path to U.S. residency. Individuals who invest a minimum amount of either \$500,000 or \$1 million, depending on certain circumstances, may qualify for an EB-5 visa if their investment leads to the creation or preservation

of ten or more jobs for qualifying U.S. workers. Initially, each EB-5 investment was an individual infusion of capital by an EB-5 applicant into a new enterprise or troubled business that was then managed directly by the EB-5 applicant. Starting in 1992, however, the pilot program (“**EB-5 Program**”) began setting aside EB-5 visas for investments made through United States Citizenship and Immigration Services (“**USCIS**”) designated regional centers. EB-5 Regional Centers and their related entities pool multiple individual investors’ funds into commercial enterprises (“**EB-5 Funds**”) in order to make an EB-5 qualifying investment often in the form of EB-5 real estate loans (“**EB-5 Loans**”). Managers of such regional centers (each, a “**Regional Center Manager**” and collectively, “**Regional Center Managers**”) are entitled to receive fees and distributions from each EB-5 Fund from cash flow generated by the underlying investments. The General Partner of the Primary Fund is of the view that a substantial number of EB-5 Loans made by Regional Center Managers may require recapitalization for a variety of reasons. As a result, it is of the view that Regional Center Managers and their interest in EB-5 Loans may be acquired on favorable terms.

The Primary Fund will generally seek to provide capital to EB-5 Loan funded real estate projects and Regional Center Managers with the intention to make equity and debt investments related to such acquisitions. These related investments may include: (i) new or existing EB-5 qualifying loans and preferred equity; (ii) investments in the restructuring of such loans and the acquisition of the participants’ interest therein; (iii) investments in the equity or debt interests of immigrant investors seeking to monetize their investments in EB-5 Funds made through an EB-5 qualifying center; and (iv) providing services to Regional Center Managers, and funding operations of EB-5 Regional Centers. To a lesser extent, the Primary Fund will also seek to provide capital to real-estate related non-EB-5 program investments that meet the Primary Fund’s investment threshold and which fall within the real estate expertise of the Primary Fund, the General Partner and the Adviser. (All such investments, both EB-5 and non-EB-5, are referred to collectively, as “**Primary Fund Investments**”).¹

Limited Partners in the Primary Fund (“**Primary Fund L.P.s**”), their affiliates and potentially third-party investors will be able to invest through optional co-investments on a deal-by-deal basis in affiliated Funds organized to co-invest along with the Primary Fund in real-estate related investments (each, a “**Syndicated Co-Investment**” and collectively, the “**Syndicated Co-Investments**”).

The Primary Fund has entered into a joint venture with a substantial Regional Center Manager pursuant to which the Primary Fund and subsequent Syndicated Co-investments would have a right of first refusal to provide the capital needed to recapitalize EB-5 Loans sponsored by this center. While the terms of a joint venture may be subject to change, the principal features involve the provision by the Primary Fund of up to \$5 million of capital so that the Regional Center Manager can fund senior loan interest payments if and when a default on senior loans subject to EB-5 Loans which it has originated occurs, and a reimbursement of up to \$2 million for actual out-of-pocket expenses this Regional Center Manager incurs in connection with the acquisition of interests in other third party regional centers or EB-5 Loans. In consideration of these commitments, the Primary Fund will have a right of first refusal with respect to providing capital for such recapitalizations and will acquire ownership interests in third party EB-5 Loans that such Regional

¹ There can be no assurance that the Primary Fund’s investment objectives will be achieved. See the Primary Fund PPM. {00047334;7 }

Center Manager has identified. The Regional Center Manager has been approved by the USCIS as a regional center under the EB-5 Program to undertake EB-5 capital investment projects in the metropolitan regions of New York City, New York and Miami, Florida. Such investments include whole loans, mezzanine loans, and preferred equity interests in real estate assets. Such Regional Center Manager has sponsored to date 23 EB-5 Funds owning 23 mortgage and mezzanine loans with an aggregate closed and committed face amount of \$3.05 billion. Affiliates of Witkoff are the borrower on four of these loans. These four loans have an aggregate principal balance of \$669 million, of which an affiliate of the Adviser is a participant in one loan of \$125 million.²

Primary Fund Structure

The structure of the Primary Fund blends both discretionary and elective investing for investors. The Primary Fund provides the initial equity for a Primary Fund Investment allowing the Primary Fund General Partner to quickly secure transactions. The Primary Fund General Partner will then seek to syndicate up to 90% of any Primary Fund Investment which exceeds \$10 million, offering it first to Primary Fund L.P.s and their affiliates and then to third parties. Consequently, Primary Fund L.P.s are able to have portfolio allocation control with regard to markets or transaction structures.³

The principal purpose of the Primary Fund is to acquire, own, operate and/or dispose of Primary Fund Investments located solely in the U.S. The Primary Fund may engage in open market purchases and/or sales, privately-negotiated transactions or other means of pursuing a Primary Fund Investment, and may engage in Primary Fund Investments directly or indirectly through holding companies, subsidiaries, partnership and/or limited liability company interests, joint ventures or otherwise.

The advisory services offered by Winthrop Capital Advisors are tailored to the requirements of the Primary Fund's Amended and Restated Agreement of Limited Partnership dated as of July 28, 2017 (the "**Primary Fund Partnership Agreement**") and the controlling documents and agreements for any Syndicated Co-Investment opportunities.

In furtherance of the Adviser's designation and appointment as the investment manager for the Primary Fund, and in all cases subject to any limitations set forth in the Primary Fund Partnership Agreement and the Management Agreement, dated as of July 28, 2017, among the Adviser, the Primary Fund and the Primary Fund General Partner (the "**Management Agreement**"), the Adviser has the power on behalf of and in the name of the Primary Fund to carry out any and all of the objectives and purposes of the Primary Fund and to perform all acts which it may deem necessary or desirable, including: (i) the sourcing, acquiring, managing, operating and disposing of Primary Fund Investments for the Primary Fund; and (ii) in connection with Primary Fund assets, the power to purchase customary hedging instruments with respect to secured real estate borrowings designed to protect the Primary Fund against adverse movements in interest rates, but not to speculate on an uncovered basis with respect to the foregoing or to trade in the foregoing.

² See Item 8 of this Brochure, *Potential Conflicts of Interest – Affiliate Conflicts with Regional Center Managers*.

³ The Primary Fund PPM contains a detailed description of the syndication process.

{00047334;7 }

The Adviser's investment management activities for the Primary Fund and each of the other Funds is subject to the ongoing oversight and review of the Primary Fund General Partner and the general partner for each of the other Funds who will continue to be responsible for setting general policies with respect to each of the Funds.

Winthrop Capital Advisors has full discretionary authority over the assets of the Primary Fund to operate within the parameters of the Partnership Agreement and the Management Agreement with respect to the Primary Fund's assets subject to the ongoing oversight and review of the Primary Fund General Partner. Winthrop Capital Advisors will likewise have full discretionary authority over the assets of any Syndicated Co-Investments, subject to the ongoing review and oversight of the general partner for any Syndicated Co-Investment.

While the Primary Fund provided the initial equity for investments allowing the Sponsor to quickly secure certain desired investments, the Sponsor has and will continue to syndicate up to 90% of Primary Fund Investments which exceed \$10 million, offering them first to Primary Fund L.P.s and their affiliates and then to third parties through newly-organized Syndicated Co-Investments. The Sponsor anticipates that each Syndicated Co-Investment will be organized as a Delaware limited partnership or limited liability company, and that each such vehicle will be treated as a partnership for U.S. federal income tax purposes.

For further information about the Primary Fund, including its structure and investment strategies, refer to the Primary Fund's PPM.

As of March 31, 2018, Winthrop Capital Advisors had approximately \$283,242,600.00 of regulatory assets under management ("**RAUM**").

ITEM 5. FEES AND COMPENSATION

Management Fees

Winthrop Capital Advisors receives a "**Management Fee**" from each Fund as compensation for its advisory services, the terms of which are set forth in each Fund's offering documents. The management fee paid by each Fund is in the range of 0.65% to 1.50%. During a Fund's Investment Period, the fee is generally calculated on a basis of aggregate funded commitments made by investors to such Fund, subject to certain reductions as set forth in each Fund's offering documents. Investors in the Funds indirectly pay the management fees by way of capital contributions to the Funds. As more fully described in the subsection below called "Payment of the Management Fees," while Winthrop Capital Advisors' Management fees are paid to it by the Funds it advises, these fees are debited by the general partner of each Fund from the accounts of those Fund limited partners who are not affiliates of the general partners.

As set forth in greater detail in Item 6 of this Brochure – *Performance-Based Fees and Side-by-Side Management*, the general partner of each Fund typically receives a performance-based profit allocation in the form of a "**carried interest**," entitling it to a prescribed portion of a Fund's profits and distributions after each of the investors in the Fund have received a specified internal rate of

return (such carried interest is generally referred to as a “**promote**” in real estate-related funds). Carried interest distributions may be made each time an investment is realized or on a different basis as agreed to between the Fund and its investors and as set forth in the offering documents of such Fund.

Our affiliates and certain of our employees and professionals invest in investment vehicles advised by us, including the Primary Fund and the Syndicated Co-Investments. When doing so, they are not subject to management fees on their direct or indirect investment in the Funds.

As previously described, from time to time Primary Fund L.P.s will be offered the ability to co-invest in certain investment opportunities alongside the Primary Fund. In such cases, the management fees charged to such existing investors (*i.e.*, the Primary Fund L.P.s) may be less than the management fees we receive from new third-party investors also investing in the same investment. Primary Fund L.P.s receive priority rights over new third-party investors with respect to co-investment opportunities based on objective criteria, and such priorities are disclosed in the offering documents for the Primary Fund.

In consideration for our management of the Primary Fund’s assets, we are paid by the Primary Fund, an annual Management Fee equal to 1.5% of: (i) aggregate commitments called/or deemed to be called by the Primary Fund *less* (ii) the aggregate amount of distributions constituting returns of capital contributions in Primary Fund Investments that have been disposed of, including those by Syndicated Co-Investments. The Management Fee we are paid by the Primary Fund may be subject to further reduction as described and provided for in the Primary Fund Partnership Agreement.

The Primary Fund Management Fee shall not be payable in respect of the Primary Fund General Partner, its members and its affiliates and members thereof.

We will also act as the investment manager for any Primary Fund Syndicated Co-Investments, and/or managing the assets acquired by those Funds, we shall be paid an annual Management Fee by each Syndicated Co-Investment equal to:

- (i) with respect to Primary Fund L.P.s who elect to make an investment in a Syndicated Co-Investment, 1% of: (a) the aggregate commitments called or deemed called by the Syndicated Co-Investment *less* (b) the aggregate amount of distributions constituting returns of capital contributions invested in Syndicated Co-Investments that have been disposed of;
- (ii) with respect to third-party limited partners of a Syndicated Co-Investment, 1.5% of: (a) the aggregate commitments called or deemed called by a Syndicated Co-Investment *less* (b) the aggregate amount of distributions constituting returns of capital contributions invested in investments by a Syndicated Co-Investment that have been disposed of.

The Management Fee for each Syndicated Co-Investment shall not be payable in respect of the Primary Fund, the General Partner, its members and its affiliates and members thereof.

The Management Fee we are paid by any Syndicated Co-Investment may be subject to certain further reductions as described and provided for in the limited partnership agreement for each Syndicated Co-Investment.

The Management Fees charged are generally not negotiable.

Carried Interest or Performance Fee

In addition to the Management Fees described above, each general partner of a Syndicated Co-Investment will receive a “promote” or performance-based fee from each Fund established for a Syndicated Co-Investment after such Fund’s limited partners have received a specified return, as further described in the Primary Fund Partnership Agreement and the Syndicated Co-Investment limited partnership agreements. Refer also to Item 6 of this Brochure - *Performance-Based Fees and Side-by-Side Management*.

The “promote” or performance-based fees paid to each general partner of a Syndicated Co-Investment are generally not negotiable.

Affiliate Fees

Affiliates of the Adviser and/or the Primary Fund General Partner and/or the general partner of any Syndicated Co-Investment may be retained by the Primary Fund or Syndicated Co-Investment to provide each Fund, as appropriate, property management, construction management, construction oversight and construction development services, for which these affiliates shall be paid fees by the Primary Fund and/or the Syndicated Co-Investment, subject to the applicable terms of the Primary Fund Partnership Agreement and/or each Syndicated Co-Investment Funds’ partnership agreement, as the case may be. The Primary Fund and or a Syndicated Co-Investment, as applicable, will be charged by these affiliates the fees incurred for such affiliate services, each as more particularly described in the offering documents for each Fund and our Management Agreement with the Primary Fund and/or the Syndicated Co-Investments we advise.

Other Costs and Expenses

The Primary Fund (and, therefore, the Primary Fund L.P.s indirectly) will pay for or reimburse the Primary Fund General Partner, Winthrop Capital Advisors and their respective affiliates for their payment of all operating expenses related to the Primary Fund in accordance with the terms and limitations set forth in the Primary Fund Partnership Agreement.

Syndicated Co-Investment Funds (and, therefore, indirectly Primary Fund L.P.s and third-party limited partners who invest therein) will pay for or reimburse their respective general partners, Winthrop Capital Advisors and their respective affiliates for their payment of all operating expenses related to each Syndicated Co-Investment subject to the applicable terms and limitations set forth in the partnership agreement for each Syndicated Co-Investment.

Payment of the Management Fees

Winthrop Capital Advisors' Management Fee charged to the Primary Fund and each Syndicated Co-Investment Fund shall be paid quarterly in arrears and shall be payable with respect to each Primary Fund L.P. and Syndicated Co-Investment limited partner that is not an affiliate of the Primary Fund General Partner or a Syndicated Co-Investment general partner. The initial installment of the Management Fee shall be paid on the first business day of the first full calendar quarter following the closing of the Primary Fund's initial capital raise, or the first business day thereafter with subsequent installments to be paid on the first business day of each calendar quarter following such first installment or the first business day thereafter. Installments of the Management Fee payable for any period other than a full calendar quarter period, including the initial installment of the Management Fee, shall be adjusted on a *pro rata* basis according to the actual number of days in such period.

The Adviser's fees can be altered only with the mutual consent of Winthrop Capital Advisors and its clients.

Winthrop Capital Advisors will be paid the Management Fee by the Primary Fund and the other Funds it manages quarterly in arrears. Although Winthrop Capital Advisors does not deduct the Management Fee directly from Fund accounts, the Funds' general partners, which are affiliates of the Adviser, will deduct the allocable portion of the Adviser's Management Fee from the capital accounts of unaffiliated Fund limited partners, quarterly in arrears in accordance with each Fund's partnership agreement and each Fund's management agreement with Winthrop Capital Advisors.

Neither Winthrop Capital Advisors nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

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

In addition to the Management Fees paid to Winthrop Capital Advisors by the Primary Fund and Funds established for Syndicated Co-Investments, as described in Item 5 of this Brochure – *Fees and Compensation*, each general partner of a Syndicated Co-Investment (which may be the same as the Primary Fund General Partner) is entitled to receive from each such Syndicated Co-Investment, a carried interest (promote) or performance-based fee from each Syndicated Co-Investment based on the net investment revenues of each Syndicated Co-Investment after each of the limited partners in such Fund has received a specified internal rate of return on capital contributions made to each such Syndicated Co-Investment.

All performance-based fees charged are paid in accordance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**").

Investors in the Funds should be aware that performance-based fee arrangements may create an incentive for the Adviser to recommend investments that may be riskier or more speculative than those recommended to clients or investors subject to an asset-based or other non-performance fee arrangement, since its compensation is, in part, tied to the performance of Fund Investments.

Moreover, this incentive should also be evaluated in view of the fact that: (i) the Adviser (who is an affiliate of the General Partner) will also serve as the investment manager not only for the Primary Fund but also for funds organized as Syndicated Co-Investments; and (ii) the General Partner of the Primary Fund (or an affiliate thereof) who may also serve as the general partner for the Syndicated Co-Investments.

As noted above in Item 4 of this Brochure – *Advisory Business*, Winthrop Capital Advisors will simultaneously manage multiple Funds, including the Primary Fund and Funds established and to be established for Syndicated Co-Investments, according to the same or a similar investment strategy (*i.e.*, side-by-side management). The simultaneous management of these different Funds (some of which are charged a performance fee or allocation as well as asset-based management fees) and the Primary Fund which only charges asset-based management fees, creates certain conflicts of interest, as the fees for the management of certain clients may be higher than others.

Side-by-side management of portfolios with differing fee structures raise the possibility of preferential treatment of a portfolio or a group of portfolios. As a fiduciary, Winthrop Capital Advisors exercises due care to ensure that investment opportunities are allocated fairly and equitably over time among all suitable clients and in a manner that optimizes the investment opportunities for each client regardless of its fee structure. To address these potential conflicts, Winthrop Capital Advisors has implemented controls built on the general principle of treating all clients in a fair and equitable manner over time.

These potential conflicts are also addressed by the investment structure of the Primary Fund and its Syndicated Co-Investments. By design, the co-investment structure is intended to facilitate a blending of the benefits for an investor of both discretionary and elective investing. Specifically, while the Primary Fund will invest a portion of its assets in Syndicated Co-Investments, Primary Fund L.P.s may elect (but are not required) to make a direct investment in one or more Syndicated Co-Investments, thereby granting Primary Fund L.P.s the ability to exercise portfolio allocation control as they see fit among investment opportunities charging performance-based fees. Likewise, third-party investors in Syndicated Co-Investments also have the ability to elect whether or not to invest in one or more Syndicated Co-Investments thereby exercising portfolio allocation control which can limit or expand such third-party investors' payment of performance-based fees, as they deem appropriate.

Furthermore, all investment recommendations made by Winthrop Capital Advisors are subject to each Fund's investment guidelines and objectives described in the operative documents for each Fund (*i.e.*, Fund limited partnership agreement, PPM, etc.) and the continuing review and oversight of each Fund's general partner.

ITEM 7. TYPES OF CLIENTS

Generally, our clients are private equity funds or are organized in a similar fund structure for pooled investments in real estate-related investment opportunities. Our clients rely on certain exclusions and exceptions from the definition of "investment company" in the Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Accordingly, none of our Fund clients are registered as investment companies with the SEC.

Winthrop Capital Advisors determines, in its sole discretion, any requirement for entering into an investment advisory contract with a Fund. Each of our clients, in turn, may impose their own requirements for investors, including minimum investment size and satisfaction of other relevant criteria, including requiring that each fund investor is both an “accredited investor” (defined in Regulation D under the Securities Act of 1933, as amended) and a “qualified purchaser” (defined in the Investment Company Act).

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

Below is a general summary of our methods of analysis, investment strategies and risks of loss. More information on each of the above can be found in the operative documents (*i.e.*, Fund limited partnership agreements, Primary Fund PPM, etc.) for each of our Fund clients, including, without limitation, those of the Primary Fund.

Methods of Analysis

Investment decisions of the Fund are executed by a team of senior real estate professionals (“Investment Committee” or “IC”) that have extensive experience in the analysis of both debt and equity real estate investments. The IC meets at least weekly to discuss its pipeline of potential investments. The IC gathers information on potential investments from existing owners, real estate brokers, lenders, peers and providers of market research. Such information consists of, among other things, a review of the company’s financial statements, comparisons with similar public and private companies and analyzing relevant industry data. The IC uses this information, together with its historical real estate experience, to make a determination of the value of the investment. Prior to investing, the IC may examine any number of the following characteristics of a potential investment as part of the underwriting process:

- the location of the potential investment;
- the size of the investment and the potential return profile;
- the financial situation of the investment;
- general economic factors affecting the location of the investment;
- tax, accounting, regulatory and other legal issues; and
- capital structure and financing needs.

Once the IC has determined the value or range of values for the investment, the IC imposes its pricing on the asset which must comport with the Fund’s return requirements and is adjusted for the level of risk involved in the investment. The IC’s experience and constant market involvement provides it with the data which enables it to make informed pricing decisions based on real time transactional information.

Investment Strategies

As previously noted, Winthrop Capital Advisors manages the Primary Fund and Syndicated Co-Investments (collectively, the “**Investments**”), with the intention of carrying out the investment objective of the Primary Fund to: (i) generally acquire interests in Regional Center Manager Distribution Rights, *i.e.*, fees and distributions from cash flow generated by the underlying investments of EB-5 Funds, with the intention to make other equity and debt investments related to such acquisitions; and (ii) to a lesser extent, to seek to provide capital to real-estate related non-EB-5 Program investments that meet the Primary Fund’s investment threshold and which fall within the real estate expertise of the Primary Fund, the General Partner and the Adviser. See also *Item 4 Advisory Business* of this Brochure for additional information regarding such Rights. These EB-5 related investments may include (i) new or existing EB-5 qualifying loans and preferred equity, (ii) investments in the restructuring of such loans and the acquisition of the participants’ interests therein and (iii) investments in the equity or debt interests of immigrant investors seeking to monetize their investments in EB-5 Funds made through an EB-5 qualifying regional center. Once the Primary Fund makes an investment, it will seek to syndicate up to 90% of any such investment which exceeds \$10 million offering it first to Primary Fund L.P.s and their affiliates and then to third-party investors.

The Adviser’s investment strategies will include:

- (i) identifying and evaluating Investments for the Primary Fund and Syndicated Co-Investments;
- (ii) analyzing and investigating potential dispositions of Investments;
- (iii) supervising the preparation and review of all documents required in connection with the acquisition, disposition, financing or restructuring of Investments;
- (iv) monitoring the performance of Investments, including the performance of Regional Center Managers and EB-5 regional centers; and
- (v) in connection with Investments, purchasing customary hedging instruments with respect to secured real estate borrowings designed to protect the Funds against adverse movements in interest rates, but not intended to speculate on an uncovered basis with respect to the foregoing or to trade in the foregoing.

RISK OF LOSS AND RISKS RELATING TO AN INVESTMENT IN THE PRIMARY FUND AND SYNDICATED CO-INVESTMENTS GENERALLY

The Primary Fund PPM includes extensive disclosures regarding potential material risks involved with investing in the Primary Fund and/or Syndicated Co-Investments. We urge all potential investors (direct or indirect), Primary Fund L.P.s and third-party investors in each of the Funds to carefully review the relevant offering materials for each Fund. The summary below is not an exhaustive list of potential risks (nor is it a full description of each type of risk) of which each Fund

(and its investors) should be aware. As a result of the factors below, and other risks inherent in any investment, there can be no assurance, and none is given, that a client's investment objectives will be achieved, or that a client or any investor in a client will receive any return of, or on, its invested capital.

The investment strategies of Winthrop Capital Advisors employed with respect to the Primary Fund and Syndicated Co-Investments pose the following material risks and conflicts of interests to these Funds and Fund investors. Investing in securities such as the assets managed by the Advisor in the Primary Fund, the Syndicated Co-Investments or other Funds managed by the Advisor and investing in the Funds themselves, involves a risk of loss. Investors in the Primary Fund and Syndicated Co-Investments should be prepared to bear the risk of loss.

No Assurance of Investment Return. The Primary Fund General Partner and general partners of the Syndicated Co-Investments cannot provide assurance that they will be able to choose, make and realize Primary Fund Investments or Syndicated Co-Investments in any particular company or investment or portfolio of companies or investments. There can be no assurance that the Primary Fund or Syndicated Co-Investments will be able to generate returns for their limited partners or that the returns will be commensurate with the risks of investing in the types of companies, investments and transactions described herein. There can be no assurance that any limited partner will receive any distribution from the Primary Fund and/or Syndicated Co-Investments. Accordingly, an investment in the Primary Fund and/or a Syndicated Co-Investment should only be considered by persons that can afford a loss of their entire investment. Past activities of investment entities associated with the investment team provide no assurance of future success.

Reliance on the Primary Fund and Syndicated Co-Investment General Partners, Principals and Key Employees. WEM-SM Holdings will generally jointly make decisions with respect to the Primary Fund and the Syndicated Co-Investments with Witkoff EB-5 (e.g., purchases and sales of investments and refinancings), provided that WEM-SM Holdings will make decisions with respect to the administrative day-to-day management of the Primary Fund and the Syndicated Co-Investments (i.e., partnership accounting, calling capital, investor reporting, paying expenses and establishing expense reserves and other administrative functions). The success of the Primary Fund and the Syndicated Co-Investments will depend on the ability of the Primary Fund General Partner and Syndicated Co-Investment general partners to identify and consummate suitable investments to improve the operating performance of portfolio companies and to dispose of Primary Fund Investments and Syndicated Co-Investments at a profit. In addition, the success of the Primary Fund and the Syndicated Co-Investments are substantially dependent on Michael L. Ashner and other members of the WEM-SM Holdings Team, as well as members of Witkoff Group. Any of these individuals could be difficult to replace. Thus, should one or more of these individuals become incapacitated or in some other way cease to participate in the Primary Fund and the Syndicated Co-Investments, the Primary Fund's and Syndicated Co-Investment's performance could be adversely affected.

Reliance on Co-Sponsors of the Primary Fund. An investment in the Primary Fund and the Syndicated Co-Investments is a long-term commitment and its successful operation is partially dependent upon the long-term success of the relationship between WEM-SM Holdings and Witkoff Group. Although WEM-SM Holdings and Witkoff Group have collaborated on past

projects, there can be no assurance that the organization, process, or other terms of the Primary Fund, the Primary Fund General Partner, the Syndicated Co-Investments or their general partners will function as planned. In particular, WEM-SM Holdings and Witkoff Group will serve as co-sponsors of the Primary Fund and there is no guarantee that the two firms will be able to successfully implement the Primary Fund's investment objective together in the manner envisioned, due to corporate or internal process differences, among other things. Any major decision with respect to the Primary Fund (including investment decisions) will require the approval of both WEM-SM Holdings and Witkoff Group. If WEM-SM Holdings and Witkoff Group do not agree on a decision, the Primary Fund will not move forward with the relevant action. In the case of an investment decision, the Primary Fund will not make such Primary Fund Investment, which may have an adverse effect on the value of the Primary Fund and Syndicated Co-Investment and/or delay the realization of such Primary Fund Investments and Syndicated Co-Investments. However, in such instances where WEM-SM Holdings and Witkoff Group do not agree as to whether to make an investment, Primary Fund L.P.s will have certain rights of first offer as described in the Primary Fund PPM.

Absence of Operating History; Historical Performance Data and Projections; Forward Looking Statements. The Primary Fund and the Primary Fund General Partner are newly formed entities and have no prior operating history upon which an investor can base its prediction of future success or failure.

The Primary Fund PPM and other information prepared by or on behalf of the Primary Fund General Partner regarding the Primary Fund's contemplated future investments contain forward looking statements. While the Primary Fund General Partner believes the expectations reflected in any forward looking statements are reasonable, no assurance can be given that such expectations can be obtained. Factors that could cause actual results to differ materially from the Primary Fund General Partner's expectations include each of the various risk factors identified herein. The Primary Fund L.P.s and third-party investors are given the opportunity to review such statements in detail, to discuss the same with the Primary Fund General Partner and to satisfy themselves as to the information contained therein. The Primary Fund General Partner and the Primary Fund make no commitment to disclose any revisions to such statements, or any facts, events or circumstances after the date of the Primary Fund PPM that may bear upon any such statements.

Illiquid and Long-Term Investments. Investment in the Primary Fund and the Syndicated Co-Investments requires a long-term commitment, with no certainty of return. Many of the Primary Fund Investments and Syndicated Co-Investments will be highly illiquid, and there can be no assurance that the Primary Fund and the Syndicated Co-Investments will be able to realize such Primary Fund Investments and Syndicated Co-Investments in a timely manner. Although Investments may generate some current income, the return of capital and the realization of gains, if any, from an Investment will generally occur only upon the partial or complete disposition (which may include a syndication) or refinancing of such investment. While an Investment may be sold at any time, no assurances can be given as to the anticipated timeframe within which this will occur after the investment is made.

Risk of Limited Number of Primary Fund Investments. The Primary Fund and Syndicated Co-Investments may participate in a limited number of investments and, as a consequence, the

aggregate return of these Fund may be substantially adversely affected by the unfavorable performance of even a single Fund Investment. Other than as set forth in the Primary Fund PPM, investors have no assurance as to the degree of diversification in the Investments or asset type. Because the Fund generally expect to acquire Investments in discrete transactions, these diversification risks may be amplified during the initial portion of the Primary Fund's Investment Period.

No Assurance of Syndications; Syndications' Impact on Primary Fund L.P.s and Other Investors. Although the Primary Fund General Partner expects to syndicate a portion of Investments to Syndicated Co-Investments as described in the Primary Fund PPM, there can be no assurance that Primary Fund L.P.s, their affiliates and/or third-party investors will subscribe or fully subscribe for interests in such syndications. Therefore, the Primary Fund may hold a larger portion of one or more Investments than the Primary Fund General Partner expected the Primary Fund would hold than if the anticipated syndication occurred. This may result in the Primary Fund Investments being more concentrated in Investments that were not fully syndicated and may result in constraints on the amount and number of additional Primary Fund Investments the Primary Fund may make.

On the other hand, in the event of a Syndicated Co-Investment, the Primary Fund will have its initial ownership interest in that Primary Fund Investment reduced by the syndication amount, thus reducing the Primary Fund L.P.'s interest in such Primary Fund Investment held through the Primary Fund. Furthermore, although syndication investors will contribute their pro rata share of previously made capital contributions (plus an additional amount equal to the return deficit if applicable) to be paid to the Primary Fund, there can be no assurance that this payment will reflect the fair value of the existing Primary Fund Investment at the time any syndication investor subscribes for interests in such Syndicated Co-Investment.

Investors should note that, among other rights of investors in the Syndicated Co-Investments described in the governing agreements of the Primary Fund and the Syndicated Co-Investments, a majority in interest of the investors in the Syndicated Co-Investments may cause the general partner of the applicable Syndicated Co-Investment to use commercially reasonable efforts to (i) sell such applicable Investment, which could trigger a simultaneous sale of the Primary Fund's portion of such Investment, (ii) finance or refinance such Investment or (iii) initiate foreclosure actions. In connection with any such directed sale, financing or refinancing, the Primary Fund will be contractually obligated to drag-along and tag-along with the applicable Syndicated Co-Investment, which may force the Primary Fund to sell, finance or refinance an Investment at an inopportune time and may adversely impact the Primary Fund's ability to realize its investment objective. If investors in the Syndicated Co-Investments vote to initiate a foreclosure action, the Primary Fund will be exposed to losses and other attendant risks of foreclosure described in the Primary Fund PPM.

Moreover, investors in the Syndicated Co-Investments will have certain approval rights with respect to Syndicated Co-Investments that Primary Fund L.P.s will not be granted, including, without limitation, consent rights related to (i) sales and other dispositions of the applicable Syndicated Co-Investment, (ii) certain restructurings, recapitalizations, financings and refinancings, (iii) the consummation of certain foreclosure and other creditor remedies, (iv) certain

bankruptcies and insolvencies, (v) major contracts and (vi) certain material settlements of claims or litigation against the Syndicated Co-Investment.

Also, as described in the Primary Fund PPM, individual Primary Fund L.P.s and the limited partners of any Syndicated Co-Investment may have conflicting interests, and the Primary Fund General Partner will consider the investment and tax objectives of the Primary Fund, any Syndicated Co-Investment and their investors as a whole, not the investment, tax or other objectives of any specific Primary Fund L.P. or Syndicated Co-Investment limited partner. Such conflicting interests may relate to or arise from the approval rights of investors in the Syndicated Co-Investments described above.

Co-Investment Allocations. As described in the Primary Fund PPM, the Primary Fund General Partner is obligated to refer certain investment and co-investment opportunities to Primary Fund L.P.s and/or investors in Syndicated Co-Investments, though under certain circumstances, including without limitation insufficient participation by Primary Fund L.P.s and/or investors in Syndicated Co-Investments, the Primary Fund General Partner may have discretion in the allocation of investment and co-investment opportunities and may have discretion over the terms on which certain opportunities are offered to Primary Fund L.P.s and/or third parties. Under these circumstances, the Primary Fund General Partner has the discretion to grant co-investment rights and to determine the terms of any co-investment by third parties alongside the Primary Fund or the Syndicated Co-Investments, and the terms on which such co-investors may co-invest in an investment opportunity may, subject to certain limitations, be substantially different, and potentially more favorable, than the terms on which the Primary Fund invests.

Although it is expected that the Primary Fund, subject to legal, tax, regulatory or other considerations, when it co-invests alongside one or more Syndicated Co-Investments or other co-investors, generally will dispose of its interests in an Investment in the same proportion as, and on the same terms as, the Syndicated Co-Investments or other co-investors dispose of their interests in such investment as determined by the Primary Fund General Partner in its sole discretion, there can be no assurance that the interests in an Investment held by the Primary Fund will be realized on as favorable terms as the interests in such investment held by the Syndicated Co-Investments or other co-investors. Furthermore, where the Primary Fund co-invests alongside Syndicated Co-Investments and one or more co-investors, the Primary Fund General Partner will determine the appropriate allocation of investment-related expenses.

Geographic Concentration Risk. The Primary Fund will focus its Primary Fund Investments solely in the United States, and therefore will be particularly vulnerable to events affecting companies and assets in the U.S. The economy of the U.S. is influenced by the economic and market conditions in other countries and events in other regions can have adverse effects on the securities of companies and the value of assets in the United States. The Primary Fund's performance may be worse than the performance of other funds that invest more broadly geographically.

Investments Longer Than the Primary Fund's Term. The Primary Fund may invest in Primary Fund Investments that may not be advantageously disposed of prior to the date that the Primary Fund will be dissolved, either by expiration of the Primary Fund's term or otherwise. Although

the Primary Fund General Partner expects that Primary Fund Investments will either be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, the Primary Fund may have to sell, distribute or otherwise dispose of Primary Fund Investments at a disadvantageous time as a result of dissolution. Furthermore, because the Management Fee continues to apply until the Primary Fund's completion of its dissolution and liquidation, the Primary Fund General Partner may have a conflict of interest in selecting investments for the Primary Fund or in declining to cause the Primary Fund to sell investments prior to completion of the Primary Fund's term.

Future Primary Fund Investments Unspecified. As of the date of the Primary Fund PPM, the Primary Fund General Partner has not identified investment opportunities for the totality of the commitments, and no assurance can be given that the Primary Fund General Partner will be able to identify investment opportunities for the Primary Fund. Primary Fund L.P.s will be relying on the ability of the WEM-SM Holdings Team to identify suitable Primary Fund Investments and the ability of the Primary Fund General Partner to select all of the Primary Fund Investments to be made using the capital available to the Primary Fund.

Valuation of Investments. Many of the properties, securities, loans or other assets that the Primary Fund and Syndicated Co-Investments will purchase will not be actively traded. In the absence of market comparisons, the Primary Fund and Syndicated Co-Investments will use other pricing methodologies, including, for example, models based on assumptions regarding expected trends, historical trends following market conditions believed to be comparable to the then-current market conditions and other factors believed at the time to be likely to influence the potential resale price of an investment. Such methodologies may not prove to be accurate and the Primary Fund's and Syndicated Co-Investment's inability to accurately price securities, loans or other assets may result in adverse consequences for the Primary Fund and Syndicated Co-Investment. A valuation is only an estimate of value and is not a precise measure of realizable value. Ultimate realization of the market value of a real estate asset depends to a great extent on economic and other conditions beyond the control of the Primary Fund and Syndicated Co-Investments and the Primary Fund General Partner, the general partners of the Syndicated Co-Investments and their affiliates. Further, valuations do not necessarily represent the price at which a particular investment would sell since market prices of investments can only be determined by negotiation between a willing buyer and seller. If the Primary Fund and Syndicated Co-Investment were to liquidate a particular investment, the realized value may be less than the valuation of such asset and in any event may be materially different from the interim valuations derived from the valuation methods described herein.

Target Returns Net of Fees and Expenses. The target internal rate of return of the Primary Fund as described in the Primary Fund PPM is net of Management Fees and other fees and expenses allocable to an investment in the Primary Fund. Target returns are not intended to be projected returns. Actual events are difficult to predict and results could be adversely affected by a number of factors including changes in interest rates, domestic and international business conditions and markets or financial or legal uncertainties. There can be no assurance that the Primary Fund will achieve these or any other particular level of returns.

Restrictions on Transfer and Withdrawal Limited. Primary Fund and Syndicated Co-Investment limited partner interests have not been registered under the U.S. Securities Act of 1933, as amended

(the “**Securities Act**”), the securities laws of any U.S. state, or the securities laws of any other jurisdiction, and therefore cannot be sold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. It is not expected that registration under the Securities Act or other securities laws will occur. Limited partnership interests may only be offered, sold or transferred to individuals or entities who or which are qualified investors under applicable securities laws. Furthermore, there is no public market for the limited partnership interests and none is expected to develop. Each Primary Fund L.P. and third-party investor will be required to represent that it is a qualified investor under applicable securities laws and that it is acquiring its Interest for investment purposes and not with a view to resale or distribution and that it will only sell and transfer its interest to a qualified investor under applicable securities laws or in a manner permitted by the applicable partnership agreement and consistent with such laws. Each Primary Fund L.P. and third-party investor must be prepared to bear the economic risk of an investment for an indefinite period of time. A Primary Fund L.P. and third-party investor will not be permitted to assign, sell, exchange or transfer any of its interest, rights or obligations with respect to its interest, except by operation of law, without the prior written consent of the Fund general partner, which consent may be withheld. Voluntary withdrawals from a Fund will generally not be permitted.

Concentration of Interests. The interests in the Primary Fund and Syndicated Co-Investments may be held by relatively few investors with substantial investments in the Primary Fund and/or any Syndicated Co-Investments, and voting power may be concentrated in a relatively small number of investors. In this regard, three institutional investors have committed 80% of the Limited Partner Commitments. Such investors generally will be permitted to vote or consent on matters of the Primary Fund that are presented to the Primary Fund L.P.s or to investors in Syndicated Co-Investments in their sole discretion. Accordingly, such Primary Fund L.P.s or investors in Syndicated Co-Investments will have the ability to grant or withhold consent to actions that may be undertaken with the approval of the holders of a majority or more of the interests in the Primary Fund or a Syndicated Co-Investment, as applicable. In particular, concentrated voting power held by investors in the Syndicated Co-Investments may cause the applicable Syndicated Co-Investment to take or refrain from taking certain actions, and to concurrently cause the Primary Fund to drag-along and tag-along with such actions, including directed sales, financings and refinancings as described in the Primary Fund PPM. As a result, it may be possible for one or a small group of investors to heavily influence or control any vote of the Primary Fund L.P.s or the investors in the Syndicated Co-Investments, or for parties that may be subject to any conflicts of interest to determine the outcome of conflicted events in relation to the Primary Fund.

Failure to Fund Commitments, Consequences of Default. If a Primary Fund L.P. fails to pay installments of its commitment when due, and any contributions made by non-defaulting Primary Fund L.P.s and any borrowings by the Primary Fund are inadequate to cover the defaulted capital contribution, the Primary Fund may be unable to meet its obligations when due. As a result, the Primary Fund may be subjected to significant penalties that could limit opportunities for investment diversification and materially adversely affect the returns of the Primary Fund L.P.s (including non- defaulting Primary Fund L.P.s). If a Primary Fund L.P. defaults, it may be subject to various penalties as provided in the Partnership Agreement, including forfeiture of its interest.

Lack of Management Rights. Primary Fund L.P.s, Syndicated Co-Investment limited partners and third-party investors will have no opportunity to control the day-to-day operation, including investment and disposition decisions, of the Primary Fund and Syndicated Co-Investments. The general partner and affiliates of these Funds will generally have sole and absolute discretion in structuring, negotiating and purchasing, financing and eventually divesting investments on behalf of these Funds (subject to specified exceptions in the Funds' limited partnership agreements). Consequently, the Primary Fund L.P.s and third-party investors may generally not be able to evaluate for themselves the merits of particular Fund Investments prior to the Fund making such Investments.

Control Issues. Generally, the Primary Fund expects to acquire an interest in a portion of Regional Center Manager Distribution Rights without (i) making a direct investment in Regional Center Managers and (ii) exercising control over the management and expenses of a Regional Center Manager (i.e., salaries, wages, the retention of advisers and other similar expenses). However, the Primary Fund may, in connection with certain investments, share control over the management and expenses of a Regional Center Manager (i.e., decision-making, certain hiring expenses, financial management, financial advisory, asset management or other services). In such cases, such control can impose additional liability on the Primary Fund. Additionally, in cases where the Primary Fund General Partner does not intend to cause the Primary Fund to exercise control of a regional center, the Primary Fund may be deemed to exercise control as a result of the structure of the investment, applicable law, regulations or other reasons. In the event the Primary Fund is deemed to exercise control over an EB-5 regional center, such control can impose additional risks of liability for environmental damage, failure to supervise management, violation of government regulations (including securities laws) or other types of liability in which the limited liability characteristics of business ownership may be ignored. To the extent the Primary Fund is engaged in a restructuring of EB-5 Program-related loans, there can be no assurance that a third party will not assert that the Primary Fund shares control over an EB-5 regional center. If these liabilities were to arise, the Primary Fund might suffer a significant loss.

Concentration of Primary Fund Investments Related to the EB-5 Program. The concentration of the Investments generally in EB-5 Program-related investments may increase the volatility of the Primary Fund's and Syndicated Co-Investments' returns and will increase their exposure to the risk of downturns in, or additional regulation of, the EB- 5 Program to a greater extent than if its portfolio also included other sectors of the economy. As a result, distress in the Regional Center Manager industry, or the underlying real estate industry on which many of such managers rely, could adversely affect returns to investors in these Funds and may result in the loss of all or a part of Primary Fund L.P.s' and third-party investors' investments in the Primary Fund and in Syndicated Co-Investments.

Difficulty of Locating Suitable Investments. The activity of identifying, completing and realizing attractive Primary Fund Investments and Syndicated Co-Investments has from time to time been highly competitive, and involves a high degree of uncertainty. The Primary Fund will be competing for Primary Fund Investments with other investment vehicles, as well as individuals, financial institutions, hedge funds and other institutional investors. Further, over the past several years, many real estate funds and publicly traded vehicles have been formed and others have consolidated (resulting in larger funds and vehicles). Additional funds and vehicles with similar

investment objectives may be formed in the future by other unrelated parties and further consolidation may occur. Additionally, although the Primary Fund expects to seek to make other equity and debt investments, no assurances can be given that such investment opportunities will arise. There can be no assurance that the Primary Fund will be able to locate, complete and exit Primary Fund Investments which satisfy the Primary Fund's rate of return objective or realize upon their values or that it will be able to fully invest its available capital.

Market Conditions. The Primary Fund's strategy in some Primary Fund Investments may be based, in part, upon the premise that regional centers and investments related thereto will be available for purchase by the Primary Fund at prices which the Primary Fund General Partner considers favorable. Further, the Primary Fund's strategy relies, in part, upon local market conditions during the term of the Primary Fund. No assurance can be given that regional centers and investments related thereto can be acquired at favorable prices or that the market for such assets will recover, or continue to improve, as the case may be, since this will depend, in part, upon events and factors outside the control of the Primary Fund General Partner. Further, the Primary Fund's strategy relies, in part, upon the continuation of existing market conditions (including, for example, supply and demand characteristics) or, in some circumstances, upon more favorable market conditions existing prior to the end of the term of the Primary Fund. No assurance can be given that regional centers and investments related thereto can be acquired or disposed of at favorable prices or that the market for such assets will either remain stable or, as applicable, recover or improve, since this will depend upon events and factors outside the control of the Primary Fund General Partner.

Potential Delegation of Day-to-Day Activities to Third Parties or Joint Venture Partners. Although the Primary Fund General Partner will retain limited control over Primary Fund Investments, the Primary Fund may delegate certain day-to-day operations to third-party corporate management teams, joint venture partners and/or third-party managers. There can be no assurance that such management teams, joint venture partners or managers will be able to operate and manage such delegated day-to-day duties successfully.

Financial Market Fluctuations. General fluctuations in interest rates and the market prices of securities and other assets may adversely affect the value of the Investments. Instability in interest rates and the securities markets may also increase the risks inherent in the Investments. For example, the ability of a particular issuer to refinance debt securities may depend on its ability to sell new securities in the debt and equity markets, to borrow from banks or other factors. In addition, there can be no assurance that financing and debt may be available and/or may only be available on less than favorable terms.

General Economic Conditions. The real estate industry generally, and the success of the Primary Fund's and Syndicated Co-Investments' investment activities in particular, will both be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in applicable laws, rules and regulations (including laws, rules and regulations relating to the EB-5 Program and taxation of the Investments), and national and international political, environmental and socioeconomic circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Primary Fund and Syndicated Co-Investment, which could impair the Primary

Fund's and the Syndicated Co-Investments' profitability or result in losses. In addition, such changes in general economic conditions may affect the Primary Fund's and Syndicated Co-Investments' activities. Interest rates, general levels of economic activity, the price of securities, the price of commodities, the rate of inflation and participation by other investors in the financial markets may affect the value and number of Investments made by the Primary Fund or Syndicated Co-Investments or considered for prospective investment. The Primary Fund's investment strategy and the availability of opportunities satisfying the Primary Fund's risk-adjusted return parameters relies, in part, on the continuation of certain trends and conditions observed in the market for real estate-related financial instruments and in some cases the improvement or deterioration (with respect to distressed opportunities) of such conditions. No assurance can be given that such conditions, trends or opportunities will arise or continue, as applicable.

Hedging Policies/Risks. In connection with the consummation of secured real estate borrowings, the Primary Fund and the Syndicated Co-Investments may employ limited hedging techniques designed to protect these Funds against adverse movements in interest rates. While such transactions may reduce certain risks, such transactions may not of themselves address all of the risks associated with secured debt financing.

Constraints on the Primary Funds' Ability to Make Distributions to the Partners. The Funds depend on distributions from the applicable investment vehicles out of earnings and cash flows to enable the Funds to make distributions to its limited partners and general partners (collectively, "**Partners**"). The ability of such investment vehicles and the issuers of their portfolio assets to make distributions or pay dividends will be subject to various limitations, including, among other things, laws limiting the amount of funds available for the payment of dividends or distributions, and the terms and covenants of any relevant outstanding indebtedness, contract or agreement. Financing providers will often receive current payments of principal and interest from financed assets at times when the factors enumerated above preclude distributions to the Funds. In addition, a decline in the credit quality of a Fund Investment due to poor operating results of the relevant borrower or issuer, declines in the value of the collateral supporting such portfolio investment or increases in defaults, among other things, may force investment vehicles to sell financed assets at a loss, reducing their earnings and, in turn, cash potentially available for distribution to the Funds for distribution to the Partners.

Contingent Liabilities on Disposition of Fund Investments. In connection with the disposition of a Primary Fund Investment or the Investment of a Syndicated Co-Investment, these Funds may be required to make representations about such Investment. The Funds also may be required to indemnify the purchasers of such Investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the General Partner and the general partners of these Funds may or may not establish reserves or escrow accounts. Fund limited partners may be required to return amounts distributed to them to fund obligations of these Funds, including indemnity obligations, subject to certain limitations set forth in the Primary Fund Partnership Agreement and the limited partnership agreements for the Syndicated Co-Investments.

Recycling; Reinvestment. Under certain circumstances, distributions of sale, co-investment syndication, or other capital proceeds, in the discretion of a Fund general partner, may be retained

and reinvested (or recalled for reinvestment) by a Fund general partner or used (or recalled for use) by a Fund general partner for any other proper purpose, although a Fund general partner may not recycle capital proceeds more than 6 months following the expiration of the Investment Period nor recycle income from operating cash flow or interest income as described in the Primary Fund PPM. Accordingly, a Fund limited partner may be required to fund for Investments an aggregate amount in excess of its Commitment through 6 months following the expiration of the Investment Period, and to the extent such recalled or retained amounts are reinvested in Investments, a limited partner will remain subject to investment and other risks associated with such Investments.

Indemnification and Exculpation. The Funds are subject to certain indemnification and exculpation obligations as described in the Primary Fund PPM. Certain exculpation provisions contained in the Funds' limited partnership agreements will limit the rights of action otherwise available to the Funds' limited partner and other parties against a Fund general partner, the Sponsor, WEM-SM Holdings Team, Witkoff Group and certain of their affiliates. As a result, limited partners may have a more limited right of action in certain cases than they would in the absence of such limitations. In addition, each Fund will indemnify its general partner, WEM-SM Holdings Team, the Witkoff Group and certain of their affiliates for certain losses or damage incurred by them in connection with that Fund's business to the extent set forth in the Fund's limited partnership agreement.

Business and Regulatory Risks of Private Investment Funds. Legal, tax and regulatory changes could occur during the term of the Primary Fund and Syndicated Co-Investments that may adversely affect the Primary Fund and the Syndicated Co-Investments, their respective investment results and/or some or all of the Primary Fund Partners and some or all of the partners of the Syndicated Co-Investments. The regulatory environment for private investment funds is evolving, and changes in regulation may adversely affect the value of the Investments and the ability of the Primary Fund to pursue its investment objective. In that regard, the Primary Fund and the Syndicated Co-Investments may be adversely affected as a result of new or revised legislation, or regulations imposed by the SEC, IRS, other U.S. or non-U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. The Primary Fund, the Syndicated Co-Investments, some or all of the Primary Fund Partners and some or all of the partners of the Syndicated Co-Investments also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with any new laws or regulations could be more difficult and expensive, and may affect the manner in which the Funds conduct business. New laws or regulations may also subject the Primary Fund, the Syndicated Co-Investments, some or all of the Partners and some or all of the partners of the Syndicated Co-Investments to increased taxes or other costs. The effect of any future regulatory change on the Primary Fund or Syndicated Co-Investments could be substantial and adverse.

RISKS RELATING TO THE EB-5 PROGRAM

Past Performance of Regional Center Managers Is Not Indicative of Future Performance; New Regional Center Managers. Among the factors that the Primary Fund General Partner may consider in selecting a Regional Center Manager for investment is its record of strong financial performance. However, the past performance of a Regional Center Manager is not indicative of its future performance. There is no assurance that a Regional Center Manager will achieve similar revenues or profits in the future and an investment with a Regional Center Manager could result in a partial or total loss for the Primary Fund or a Syndicated Co-Investment.

Illiquidity of Investments in Regional Center Managers. A Funds' acquisition of investments related to the EB-5 Program (including investments in Regional Center Manager Distribution Rights) as described herein will generally be long term and highly illiquid. Significant credit, contractual and regulatory restrictions may apply with respect to potential transfers of interests in any such investments. A Funds' ability to dispose of interests in such investments is expected to be restricted under applicable securities laws, other applicable constraints imposed by financial services, investment adviser and antitrust regulators, and by the terms negotiated with Regional Center Managers. In addition, there may not be a market for such interests and, accordingly, the Funds may not be able to dispose of its interests therein, or dispose of such investments on favorable terms. Where a Fund will have the right to sell its interests in entities in which it invests, and even if there is an available market for an interest in such entity, the Regional Center Manager may take actions or refuse to take actions that could prolong, delay, or impede a Fund's ability to complete the sale of its interest in such entity. In such event, for various reasons, a Fund may determine not to, or may be unable to, enforce a Regional Center Manager's obligations to cooperate or take certain actions in connection with a proposed sale. As a result, a Fund may not be able to dispose of assets even at times when it deems it advisable to do so.

Fund Performance Dependent upon Unrelated Regional Center Managers. No Fund general partner expects to serve on the governance, advisory or similar boards of certain Regional Center Managers. In addition, a Fund generally may not have the opportunity to evaluate the specific strategies employed by Regional Center Managers, and no Fund expects to have an active role in the day-to-day management of such Regional Center Managers. The Funds and their general partners expressly disclaim any assertion that they are under a duty to seek to control or influence any Regional Center Manager and, in this respect, the Funds may differ from certain other funds. Investors that require a general partner to take such control should not invest in the Funds as this is not the intention of the general partner.

The returns of the Funds will depend largely on the performance of unrelated Regional Center Managers and could be substantially adversely affected by the unfavorable performance of the Regional Center Managers. The performance of a Regional Center Manager may also rely on the services of a limited number of key individuals, the loss of whom could significantly adversely affect such Regional Center Manager's performance.

Changes in Expected Investment Objectives of Regional Center Managers May Be Adverse to the Funds. Regional Center Managers may have the ability to change their investment objectives and strategies and economic and other terms, as well as those of their related investments, after a

Fund has made its investments, and such change in investment objectives and strategies may be adversely different from the objectives currently expected by a Fund general partner. A Fund may not have the ability to reduce or withdraw its investments in such entities.

Ability of Regional Center Managers to Enter New Lines of Business. Regional Center Managers or regional centers may enter into new lines of business not anticipated by a Fund at the time the Fund invests. The Fund may not have the ability to prevent the Regional Center Manager or regional center from taking such action and may not have the ability to reduce or withdraw its investments in such entity following such decisions to enter into new lines of business. As a result, such decisions by the Regional Center Manager or regional center may negatively impact the performance of a Fund.

Limited Track Record of Regional Center Managers. The Funds may invest in Regional Center Manager Distribution Rights and related investments of Regional Center Managers who have established their EB-5 Funds after working with various investment groups. However, there is likely to be little, if any, historical performance data available for these new Regional Center Managers. In addition, the past performance of the Regional Center Manager's prior fund or investments (whether in a principal capacity or an advisory role) may not be an indication of the future performance of the Regional Center Manager. There can be no assurance that these Regional Center Managers will achieve their respective performance objectives. The failure of one or more of the Regional Center Managers to meet their performance objectives could have a material adverse effect on the Fund.

In addition, a Fund may in certain circumstances be liable for the actions of such Regional Center Managers. While a Funds general partner and/or its affiliates expects to review the qualifications and previous experience of such Regional Center Managers, and expects to generally undertake private investigations with respect to prospective Regional Center Managers and obtain financial information from a Fund's venture partners, there can be no assurances that such investigations will be complete or reveal all material facts relating to such Regional Center Managers or joint venture partners.

Competition for Investments. The size and number of regional centers has increased rapidly in recent years, and this trend may continue in the future. As a result, it may become increasingly difficult for Regional Center Managers to raise new capital for investments or to adequately deploy capital. In addition, the allocation of increasing amounts of capital to regional centers by institutional and individual investors leads to a reduction in the size and duration of pricing inefficiencies that the Primary Fund General Partner seeks to exploit and, in certain cases, drives prices for investments higher, in either case increasing the difficulty of achieving positive returns. In addition, if interest rates were to rise or there were to be a prolonged rise in values of equities generally, the attractiveness of Fund Investments relative to investments in other investment products could decrease.

Key Persons; Non-Competition. A Regional Center Manager may rely heavily on certain key personnel to manage and direct the operations of such Regional Center Manager. The presence and retention of key personnel is particularly important to Regional Center Managers and the departure of these key personnel or inability to fulfill their responsibilities may materially and

adversely affect the ability of a Regional Center Manager to effectively implement its investment program, which may have a material adverse effect on the Funds.

Funds expect to be entitled to receive a portion of Regional Center Manager Distribution Rights. This may motivate a Regional Center Manager's key managerial personnel to leave the employ of the Regional Center Manager to go work for a new entity that is not subject to a requirement to share income with a Fund (and thus has greater flexibility to share income with key personnel), or create one or more new entities not affiliated with the Regional Center Manager, in order to avoid sharing the new entity's income with a Fund.

Funds may seek terms that condition its investment on some type of retention arrangements with key personnel being in place (including the execution of noncompetition and non-solicitation agreements), and ongoing obligations designed to encourage retention. In addition, Funds will seek terms designed to enable the Funds to participate in income from all affiliated sources, including new entities. However, there can be no assurance that key personnel will remain in place.

Regulatory Non-Compliance and Primary Fund Reputation; Fraudulent and Other Bad Acts of Regional Center Managers or Employees. Regional Center Managers operate in a highly regulated environment, and the Funds may have little or no oversight over or input in the activities of Regional Center Managers and will rely on each Regional Center Manager to manage its activities in a manner consistent with applicable laws and regulations and in a manner which will permit such Regional Center Manager to maintain a quality reputation. Fund general partners may have no right or power to participate in the day to day management or control of the Regional Center Managers and the regional centers, and will not have an opportunity to evaluate the specific strategies used or investments made by the Regional Center Managers and the regional centers or the terms of any investments made by the Regional Center Managers and the regional centers.

While the Funds' general partners will select and monitor the Regional Center Managers to which the Funds' allocates assets, the Funds' general partners would be reliant to a great extent on information provided by the Regional Center Managers and may have limited access to other information regarding the regional center's portfolios and operations. There is a risk that a Regional Center Manager may knowingly, negligently or otherwise withhold or misrepresent information regarding the Regional Center Manager's performance, including the presence or effects of any fraudulent or similar activities ("**Fraudulent Activities**"). The Funds' general partners' proper performance of its monitoring functions would generally not give the Funds' general partner the opportunity to discover such situations prior to the time the Regional Center Manager discloses (or there is public disclosure of) the presence or effects of any Fraudulent Activities. Accordingly, the Funds' general partners can offer no assurances that a Regional Center Manager will not engage in Fraudulent Activities and cannot guarantee that it will have the opportunity or ability to protect any Fund from suffering a loss because of a Regional Center Manager's Fraudulent Activities.

If a Regional Center Manager engages in Fraudulent Activities, acts inconsistently with applicable laws and regulations, or takes actions that cause such Regional Center Manager disrepute, such actions may adversely affect the Funds, and may damage the Funds' reputations, which may

adversely impact the Funds' ability to complete acquisitions of other Investments and the Funds' ability to realize its investment objective.

Moreover, a Fund may in certain limited circumstances invest, directly or indirectly, in regional centers that are not administered by an independent third party administrator. Such an arrangement may have an adverse effect on a Fund and its limited partners by, among other things, reducing the likelihood that a Fund general partner will learn of any error, miscalculation or misrepresentation in the valuation of the regional center's investments, whether intentional or otherwise, or any Fraudulent Activity. In addition, certain service providers and consultants to the Regional Center Managers and regional centers may engage in Fraudulent Activities (e.g., the dissemination by "expert networks" of material, non-public information regarding issuers), and the Regional Center Managers and regional centers may intentionally or negligently benefit from such Fraudulent Activities. Fraudulent Activity by Regional Center Managers, the regional centers or service providers and consultants to Regional Center Managers may be difficult, if not impossible, for the Primary Fund General Partner to detect. The Primary Fund General Partner may not learn of Fraudulent Activity within a time frame sufficient to prevent significant harm to a Fund and its limited partners.

Even if the Primary Fund General Partner is able to detect potential Fraudulent Activity, it may take a significant amount of time for a Fund to redeem its investment with the affected Regional Center Manager due to the liquidity constraints of the applicable investment.

In connection with the Primary Fund General Partner's initial and ongoing review of Regional Center Managers, the Primary Fund General Partner may identify certain deficiencies with a Regional Center Manager (including potentially significant deficiencies) that the Primary Fund General Partner desires to be addressed by such Regional Center Manager, including issues related to operations, regulatory compliance, risk management, performance, personnel and investments or other concerns relating to such Regional Center Manager or an investment therewith. A Funds general partner may decide to invest with such Regional Center Manager or not to terminate a Regional Center Manager despite the identification of such deficiencies or concerns for various reasons, including without limitation, because the Funds general partner determines in its sole discretion that such deficiencies are not significant or because the Regional Center Manager is attempting to address such deficiencies. If the Regional Center Manager suffers losses, Funds could be materially adversely affected. Alternatively, a Funds general partner may determine to redeem or attempt to redeem the Primary Fund's assets from a Regional Center Manager as a result of such deficiencies. Due to the liquidity constraints of the applicable investment, it may take a significant period of time for a Funds general partner to redeem the Fund's assets from such Regional Center Manager. A Fund's general partner is under no obligation, and does not currently expect, to notify the Fund's limited partners in the event that it identifies any such deficiencies or concerns with, or otherwise becomes aware of, any negative information regarding a Regional Center Manager.

The Funds may be exposed to the risk of litigation by investors of a regional center if a Regional Center Manager is accused of negligence, willful misconduct, engaging in Fraudulent Activities, other improper activities or unsatisfactory performance. In addition, the Funds may be exposed to investigation or litigation by investors or regulators in the event that a Regional Center Manager

engages in transactions which present conflicts of interest that were not properly addressed. A Fund might be required to bear the expenses associated with such investigation or litigation, including legal fees. In addition, such investigation or litigation may damage the Funds' reputation. The Funds face risks similar to those described herein in connection with the misconduct of any employees or other agents of a Fund, a Regional Center Manager or a regional center.

Regional Center Manager Compensation. Regional Center Managers may be motivated to pay out greater portions of their revenue as salaries, bonuses, and other similar expenses, in order to shift income that would otherwise be shared with a Fund to expenses that are payable to other principals of the Regional Center Manager that are also employees. Funds may seek terms which prevent or limit a Regional Center Manager from taking such actions. However, there is no assurance that a Fund will be able to obtain such a term, or that if obtained, the Regional Center Manager will comply with such term.

Anti-Dilution Rights. A Fund may seek terms limiting the amount of equity and equity-related instruments that a Regional Center Manager may grant or issue to persons other than the Fund, so that the Fund's interest in the Regional Center Manager Distribution Rights or other investments of a Regional Center Manager will not be diluted. If the Fund is unable to obtain such terms, the Fund's interest in such investment may be diluted and the Fund will be adversely affected.

Transfer of Ownership Provision. A Fund may desire to sell some or all of its interests in one or more Fund Investments as a method of realizing such Fund Investments. A Fund may seek terms stating that the Fund is entitled to transfer, or otherwise dispose of, all or part of its interest in an investment, with all associated rights and benefits, without restriction or with only limited restrictions, and that the Regional Center Manager will cooperate in effecting any such transfer. In the event a Fund does not obtain such terms, the Fund may not be able to realize its investments by transferring the Fund's interest in such investment to a third party.

Regional Center Manager Accounting and Reporting. A Fund may seek to make Fund Investments that will entitle the Fund to Regional Center Manager Distribution Rights, including its management and performance fees received from managing investments. If a Regional Center Manager underreports to the Fund the amount of income it has generated or attempts to use other accounting methods in order to avoid its obligations to share income with the Fund, the Fund may be adversely affected. Thus, the Fund may seek terms stating that the Fund will receive certain periodic and other reports and may require that public accountants audit the financial reports of Regional Center Managers. However, there is no assurance that such terms will adequately protect the Funds from such risks.

Expiration of the Regional Center Pilot Program. The EB-5 Program was first created in 1992. Since then it has been extended, most recently through September 30, 2018. The Primary Fund relies on the EB-5 Program to fulfill its investment objective. There is no reliable means to know if the EB-5 Program will be extended or made permanent, and failure to extend the EB-5 Program may have a material adverse effect on the operations and investments in regional centers.

A Regional Center may Lose Certification. The United States Citizenship and Immigration Services (“USCIS”) is in the process of developing standards to review regional centers. The results of any review process could lead to regional center decertification. Decertification of, or change in regulations applicable to, certain regional centers may have a material adverse effect on the operations and investments in an affected regional center.

The USCIS May not Accept the Designation of a Project as a Targeted Employment Area. Many offerings by a regional center are based on the assumption that such project is located in a targeted employment area (“TEA”), and therefore each investor is only required to make an investment of \$500,000 rather than \$1,000,000 otherwise required by the EB-5 Program. Typically, a regional center will obtain a letter from the applicable state agency stating that such project is located in a geographical area in which the unemployment rate was greater than 150% of the U.S. national average. There can be no assurance that such letter will be obtained. Further, to date the USCIS has given deference to such letters. However, the USCIS may, at any time, change its position and not give deference to state designation letters regarding the classification of geographical areas as TEAs. If the USCIS took the position that a project is not located in a TEA, then investors in such project would not be entitled to obtain a visa under the EB-5 Program based on their investment, and the regional center affiliated with such project may suffer reputational or other material adverse effects, any of which may reduce Primary Fund returns on a Primary Fund Investment.

EB-5 Program Reliance. Each offering by a particular regional center it intended to be structured so that investors therein may meet EB-5 Program immigrant visa requirements under 8 U.S.C. § 1153 B)(5)(A) - (D); INA Act § 203 (B)(5)(A) - (D) and qualify as “alien entrepreneurs,” a preliminary step to becoming eligible for admission to the U.S. by the investor, his or her spouse and qualifying children as lawful permanent residents, but no representations can be made and no guarantees can be given with respect to the ability of such offering to guarantee or otherwise assure that such investors will be approved as an alien entrepreneur” and will be granted conditional or unconditional lawful permanent resident status. Failure of a regional center in which the Primary Fund holds a direct or indirect interest to structure its offerings to meet such immigrant visa requirements will have a material adverse impact on the operations of such regional center and may reduce returns to the Primary Fund.

Numerical Quotas. Currently, 10,000 EB-5 immigrant visas are allocated annually to alien investors and the spouse and qualifying children of such alien investors, of which 3,000 are currently restricted to regional centers. EB-5 status is available on a first-come, first-served basis. If more statuses are sought than are available, a delay in the availability of EB-5 lawful permanent resident status will result. There is no reliable means to predict if such a delay will occur, or if it occurs, how long an investor or the spouse and qualifying children of the investor will wait before visa status for them becomes available. Also, the availability of current EB-5 immigrant visas may end, the number of EB-5 immigrant visas may decrease or increase, or the time it takes to acquire EB-5 status may increase significantly. Other changes in the administration of the visa preference system may affect and even preclude the ability to obtain a visa for lawful permanent residence or to adjust to lawful permanent residence. Changes in the availability of visas for lawful permanent residence through the EB-5 Program may limit the ability of a regional center to find suitable investors and otherwise may have a material adverse effect on the operations and investment objective of the Funds.

Change in Laws. It is possible that the U.S. immigration laws and the regulations of the USCIS and the interpretation of these laws and regulations by the USCIS or the courts may change, and these changes may have a material adverse impact on the business of a regional center. U.S. immigration laws and the regulations of the USCIS and the interpretation of these laws and regulations by the USCIS or the U.S. courts have changed regularly in the past and are likely to change in the future. It is possible that such changes may have a material adverse impact on the ability of the Primary Fund to identify appropriate investment opportunities. The Primary Fund cannot guarantee such changes will not occur.

THE IMMIGRATION LAWS AND THE CORRESPONDING RULES, REGULATIONS AND USCIS INTERPRETATIONS RELATED TO THE EB-5 PROGRAM AND THE CORRESPONDING APPLICATIONS ARE IN A CONSTANT STATE OF FLUX, AND THERE ARE NO ASSURANCES THAT NEW LAWS AND/OR INTERPRETATIONS THAT WOULD OTHERWISE MODIFY THE DISCLOSURES AND INFORMATION SET FORTH IN THIS BROCHURE WILL NOT RESULT.

RISKS RELATING TO REAL ESTATE

General Real Estate Risks. The Investments will be subject, directly or indirectly, to the risks inherent in the ownership and operation of real estate and real estate related businesses and assets. These risks include, but are not limited to, those associated with the burdens of ownership of real property, general and local economic climate, local real estate conditions, changes in supply of or demand for competing properties in an area (as a result, for instance, of overbuilding), fluctuations in the average occupancy and room rates for hotel properties, the financial resources of tenants, changes in building, environmental and other laws, energy and supply shortages, various uninsured or uninsurable risks, natural disasters, changes in government regulations (such as rent control), changes in real property taxes, changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, negative developments in the economy that depress travel activity, environmental liabilities, contingent liabilities on disposition of assets, terrorist attacks and war and other factors which are beyond the control of the Funds general partner or the general partners of the Syndicated Co-Investments. There is no assurance that there will be a ready market for resale of Investments relating to real estate investments because such Investments will generally not be liquid. Lack of liquidity may result from the absence of an established market for the Investments, as well as legal or contractual restrictions on their resale by the Fund or the Syndicated Co-Investments, as the case may be.

Risks of Acquiring Real Estate Loans and Participations; Risks of Foreclosure Actions. Real estate loans acquired, directly or indirectly, by the Funds may be at the time of their acquisition, or may become after acquisition, sub-performing or non-performing for a wide variety of reasons both anticipated and unanticipated. Such sub-performing or non-performing real estate loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such loan. However, even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such real estate loan, replacement “take-out” financing will not be available. Purchases of participations in real estate loans may involve many of the same risks as investments in real estate loans and also carry risks of illiquidity and lack of control. Moreover,

the Funds may enter into intercreditor agreements or constituent documents relating to regional centers that contractually limit the ability of the Funds to directly enforce their rights with respect to such participations.

Furthermore, the Funds may be exposed to losses resulting from default and foreclosure with respect to secured real estate debt purchased, directly or indirectly, by the Funds. The foreclosure process can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting several claims, counterclaims and defenses against the holder of a real estate loan, including, without limitation, lender liability claims and defenses, even when such assertions have no basis in fact, in an effort to prolong the foreclosure action. In some jurisdictions, foreclosure actions can take up to several years to conclude. At any time during the foreclosure proceedings, the borrower may file for protection under bankruptcy or other similar laws, which would have the effect of staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation may also create a negative public image of the collateral property and may disrupt ongoing leasing and management of the property.

In addition, the Funds cannot guarantee the adequacy of the protection of the Fund's interests, including the validity or enforceability of any secured debt and the maintenance of the anticipated priority and perfection of the applicable security interests. In the event of a foreclosure, the Funds or an affiliate of the Funds may assume direct or indirect ownership of the underlying asset. The liquidation proceeds upon sale of such asset may not satisfy the entire outstanding balance of principal and interest on the secured debt, resulting in a loss to the Funds.

Risks Related to Certain Types of Commercial Properties

Particular types of commercial properties which may underlie Fund Investments are exposed to special risks. For instance:

Special Risks Associated with Multifamily Properties

Multifamily properties may be located in geographic markets characterized by high or low barriers to entry. Thus, a particular apartment or condominium (including townhome) market with historically low vacancies could experience substantial new construction and a resultant oversupply of units in a relatively short period of time. Since multifamily apartment units (as well as condominium unit rentals) are typically leased on a short-term basis, the tenants who reside in a particular property within such a market may easily move to alternative properties with more desirable amenities or locations. A large number of factors may adversely affect the value and successful operation of a multifamily property, including: the physical attributes of the apartment or condominium building (for example, its age, appearance and construction quality); the location of the property (for example, a change in the neighborhood over time); the ability of property management to provide adequate maintenance and insurance; the types of services and amenities that the property provides; the property's reputation; the level of mortgage interest rates (which, if relatively low, may encourage tenants to purchase rather than lease housing); the tenant mix, such as the tenant population being predominantly students or being heavily dependent on workers from a particular business or personnel from a local military base; dependence upon governmental programs that provide rent subsidies to tenants pursuant to tenant voucher programs or tax credits

to developers to provide certain types of development; the presence of competing properties; adverse local or national economic conditions; and state and local regulations.

Commercial mortgage loans on condominium developments with residential units that have not yet been fully sold by the developer may not be secured by the entire condominium development, which may increase risks to the Funds. Due to the nature of condominium properties, a default by the commercial borrower may not allow the Funds the same flexibility in realizing on the collateral as would generally be available with respect to other types of commercial properties since the rights of residential unit owners, the condominium documents and state and local laws applicable to condominium units must be considered and respected.

Furthermore, multifamily properties may be subject to various tax credit, city, state and U.S. federal housing subsidies, rent stabilization, use restrictions or similar programs. The limitations and restrictions imposed by these programs could result in losses on commercial mortgage loans. In addition, in the event that the program is cancelled, it could result in less income for the property. These programs may include: rent limitations that could adversely affect the ability of borrowers to increase rents to maintain the condition of their mortgaged properties and satisfy operating expenses; and tenant income restrictions that may reduce the number of eligible tenants in those mortgaged properties and result in a reduction in occupancy rates. The differences in rents between subsidized or supported properties and other multifamily rental properties in the same area may not be a sufficient economic incentive for some eligible tenants to reside at a subsidized or supported property that may have fewer amenities or be less attractive as a residence. As a result, occupancy levels at a subsidized or supported property may decline, which may adversely affect the value and successful operation of such property.

Special Risks Associated with Office Properties

Office properties may require their owners to expend significant amounts of cash to pay for general capital improvements, tenant improvements and costs of re-leasing space. Office properties that are not equipped to accommodate the needs of modern businesses may become functionally obsolete and thus non-competitive. In addition, a large number of factors may adversely affect the value of office properties, including: the quality of an office building's tenants; the physical attributes of the building in relation to competing buildings (for example, age, condition, design, access to transportation and ability to offer certain amenities, such as sophisticated building systems); the physical attributes of the building with respect to the technological needs of the tenants, including the adaptability of the building to changes in the technological needs of the tenants; the desirability of the area as a business location; the presence of competing properties; and the strength and nature of the local economy (including labor costs and quality of labor, the tax environment and the quality of life for employees). Moreover, the cost of refitting office space for a new tenant is often higher than the cost of refitting other types of properties for new tenants.

Special Risks Associated with Retail Properties

Retail properties may be affected by consumer shopping patterns, which in turn may be affected by market conditions and uncertainty regarding economic markets generally which may be materially adversely affected by general economic downturns which dampens consumer spending. Further, consumer shopping patterns are experiencing changes due to the growing market share of non-real estate-based retailing, including the popularity of home shopping networks, shopping through Internet web sites and telemarketing. A particular retail property may be adversely affected by the bankruptcy or decline in drawing power of an anchor, shadow anchor or major tenant, a shift in consumer demand due to demographic changes (for example, population decreases or changes in average age or income) and/or changes in consumer preference (for example, to discount retailers). In the case of retail properties, the failure of an anchor, shadow anchor or major tenant to renew its lease, the termination of an anchor, shadow anchor or major tenant's lease, the bankruptcy or economic decline of an anchor, shadow anchor or major tenant, or the cessation of the business of an anchor, shadow anchor or major tenant at a particular location or all locations, notwithstanding that such tenant may continue payment of rent after "going dark," may have a particularly negative effect on the economic performance of a shopping center property given the importance of anchor tenants, shadow anchor tenants and major tenants in attracting traffic to other stores within the same shopping center. The failure of one or more major tenants, such as an anchor or shadow anchor tenant, to operate from its premises may entitle other tenants to rent reductions or the right to terminate their leases.

Special Risks Associated with Hotel Properties

Hotel properties are affected by various factors, including: location; quality; management ability; amenities; franchise affiliation (or lack thereof); continuing expenditures for modernizing, refurbishing and maintaining existing facilities prior to the expiration of their anticipated useful lives; a deterioration in the financial strength or managerial capabilities of the owner and operator of a hotel; changes in travel patterns caused by changes in access, energy prices, strikes, relocation of highways, the construction of additional highways or other factors; adverse economic conditions, either local, regional or national, which may limit the amount that may be charged for a room and may result in a reduction in occupancy levels; and construction of competing hotels or motels, which may also limit the amount that may be charged for a room and may result in a reduction in occupancy levels.

Because hotel rooms generally are rented for very short periods of time, hotel properties tend to be affected more quickly by adverse economic conditions and competition than other commercial properties. The performance of a hotel property affiliated with a franchise or hotel management company depends in part on: the continued existence and financial strength of the franchisor or hotel management company; the public perception of the franchise or hotel chain service mark; and the duration of the franchise licensing or management agreements.

Furthermore, consumer websites such as AirBnB, HomeAway, and similar websites that facilitate the short-term rental of homes and apartments from owners may provide an alternative to hotel rooms. The continued growth of peer-to-peer lodging inventory sources could adversely affect the demand for traditional hotel properties, and may result in adverse economic consequences for the

Funds. In addition, some businesses, in an effort to reduce costs or as a result of restrictions on the ability to travel and hold conferences or events at hotels, may expand their reliance on improved webcast conferencing technologies in lieu of attending or utilizing hotels. These restrictions, as well as negative publicity associated with such companies holding large conferences and corporate events, may result in reduced corporate bookings at hotel properties that could have a material adverse effect on the financial results of hotel properties.

Moreover, the hotel and lodging industry is often seasonal in nature; different seasons affect different hotels depending on type and location. This seasonality can be expected to cause periodic fluctuations in a hospitality property's room and restaurant revenues, occupancy levels, room rates and operating expenses. In addition, acts of war, terrorist activities, natural disasters (such as earthquakes or hurricanes) and environmental disasters, as well as adverse economic conditions, can have a material adverse impact on the tourism and convention industries, which directly affects the revenues generated by hotel properties.

Risks Relating to Investments in Common or Preferred Equity. Funds may invest in common and preferred stock and other equity securities of real estate companies. Equity securities generally involve a high degree of risk and will be subordinated to the debt securities and other indebtedness of the issuers of such equity securities. Prices of equity securities generally fluctuate more than prices of debt securities and are more likely to be affected by poor economic or market conditions. In some cases, the issuers of such equity securities may be highly leveraged or subject to other risks such as limited product lines, markets or financial resources. As a result, a Fund may experience a substantial or complete loss on individual common or preferred equity securities.

Availability of Insurance against Certain Catastrophic Losses. Certain losses of a catastrophic nature, such as wars, earthquakes, floods, environmental contamination, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related Investments. In general, losses related to terrorism are becoming more difficult and more expensive to insure against. Some insurers are excluding terrorism coverage from their all-risk policies. In some cases, the insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for a property. As a result, not all Investments may be insured against terrorism. If a major uninsured loss occurs, the Funds could lose both invested capital in and anticipated profits from the affected Investments.

Potential Environmental Liability. Fund Investments may be exposed to substantial risk of loss arising from undisclosed or unknown environmental, health or occupational safety matters, or inadequate reserves, insurance or insurance proceeds for such matters that have been previously identified. The Fund will be exposed, directly and indirectly, to a wide range of U.S. federal, state, local and foreign environmental, health and safety laws, ordinances and regulations, including without limitation, those relating to the investigation, removal, and remediation of past or present releases of hazardous or toxic substances. Such laws may impose joint and several liability, which can result in a party being obligated to pay for greater than its share, or even all, of the liability involved. Such liability may also be imposed without regard to whether the owner or operator knew of, or was responsible for, the presence or release of such substances. The cost of any required remediation and other environmental liabilities are generally not limited under such laws

and could exceed the value of the relevant property and/or the aggregate assets of the responsible party. The presence of such substances, or the failure to properly remediate related contamination, may adversely affect the marketability of the real estate or the value of such property as collateral, which could have an adverse effect on a Fund's return from such Fund Investment. Environmental claims with respect to a specific Primary Fund Investment may exceed the value of such Fund Investment, and under certain circumstances, subject the other assets of the Fund to such liabilities.

Americans with Disabilities Act. In certain cases, the Primary Fund's and Syndicated Co-Investment's assets will be required to comply with Title III of the Americans With Disabilities Act (the "ADA") to the extent that such properties are "public accommodations" and/or "commercial facilities" as defined by the ADA. Compliance with the ADA requirements could require removal of structural barriers to handicapped access in certain public areas of properties where such removal is readily achievable or increase the cost of the Investments. Non-compliance could result in imposition of fines or an award of damages to private litigants.

RISKS ASSOCIATED WITH INVESTING IN DISTRESSED ASSETS

Inherent Risk of Loss. The Primary Fund and the Syndicated Co-Investments may invest in the secured debt instruments and preferred equity of companies that have significant holdings of real estate assets as well as specific real estate assets which are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization or liquidation proceedings. Specific assets may have been syndicated by regional centers in which these Funds have made an investment. Although such secured debt investments may result in significant returns to these Funds, they involve a substantial degree of risk. Any one or all of such companies may be unsuccessful in their reorganization and their ability to improve their operating performance. In the case of liquidations, the proceeds realized through the liquidation process may be significantly less than originally projected at the time of investment. This may be compounded by the fact that the type of secured debt investments that the Funds may target are companies for which there may be much less public information or research available. There is no assurance that the Primary Fund General Partner and the general partners of the Syndicated Co-Investments will correctly evaluate the intrinsic value of any or all of the companies in which these Funds invest, or of the real estate properties that such companies hold. In any reorganization or liquidation proceeding relating to a company in which these Funds invest, the Primary Fund and the Syndicated Co-Investment may lose its entire investment, or may be required to accept property with a value less than the Primary Fund's or Syndicated Co-Investment's original investment. Under such circumstances, the returns generated from such investments may not compensate the Primary Fund or the Syndicated Co-Investment adequately for the risks assumed.

Industry and Economic Context. Although the Primary Fund General Partner and the general partners of the Syndicated Co-Investments will focus on companies and assets which are believed to have an intrinsic value that can be realized through a restructuring, companies undergoing a reorganization are unusually vulnerable to adverse industry developments including new regulation, increased competition, increased bargaining power of the suppliers and/or to overall macro-economic changes such as a slowdown of the economy or exchange rates that favor competitors from foreign countries.

Risks Associated with Bankruptcy Cases. The Primary Fund and the Syndicated Co-Investments investment and lending activities, particularly involving companies in distressed situations, may result in these Funds becoming involved as a creditor in bankruptcy cases. In addition, these Funds may purchase securities or assets of, or claims against, companies in bankruptcy.

- Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions which may be contrary to the interests of these Funds.
- Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and these Funds; it is subject to unpredictable and lengthy delays; and during the process the company's competitive position may erode, key management may depart and the company may not be able to reorganize and may be required to liquidate assets.
- The debt of companies in financial reorganization will in most cases not pay current interest, may not accrue interest during the reorganization and may be adversely affected by an erosion of the issuer's fundamental value. Such investments can result in a total loss of principal.
- There are instances where creditors and equity holders lose their ranking and priority as such when they take over management and functional operating control of a debtor. In those cases where a Fund, by virtue of such action, is found to exercise "domination and control" of a debtor, the Fund may lose its priority if the debtor can demonstrate that it was adversely impacted or other creditors and equity holders were harmed by the Fund.

The Primary Fund or a Syndicated Co-Investment may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser.

Certain Tax Risks. The tax (including, without limitation, U.S. federal income tax) consequences arising from an investment in a Fund are highly complex and may vary significantly depending on each investor's specific circumstances.

In particular, (i) prospective investors in a Fund should be aware that they will be subject to tax annually on that Fund's income and recognized gains, if any, regardless of whether they receive any cash distributions from the Fund, (ii) prospective tax-exempt U.S. investors should note that they are likely to recognize "unrelated business taxable income" ("UBTI") from an investment in the Primary Fund, and (iii) prospective Non-U.S. Investors (as defined below) should note that

they are likely to recognize income “effectively connected with a trade or business within the United States” (“**ECI**”), including income subject to U.S. federal income tax under FIRPTA (as defined below), as a result of an investment in the Primary Fund. Upon request, a Funds general partner may form separate feeder or parallel vehicles that are intended to allow electing investors to invest in such a manner that allows such persons to avoid recognizing UBTI or ECI, as applicable.

Fund investments are expected to generate a mix of ordinary income, capital gains, and dividends, and may give rise to deductions or losses the use of which are subject to complex limitations, and which may require additional U.S. federal, state or local tax filings. Certain investments may be made in or through real estate investment trusts (“**REITs**”), which are subject to a number of complex rules with respect to their qualification and operation.

Each entity comprising a Fund will provide tax information on Schedule K-1 to its investors following the close of such entity’s taxable year. For any given year, a Fund entity may be unable to provide this information to its investors prior to the due date for the filing of tax returns with respect to that year as a result of such entity not receiving necessary information regarding its underlying Investments on a timely basis, and investors should be prepared to obtain available extensions of the due dates for filing their income tax returns.

Each prospective investor should be aware that tax laws and regulations (and interpretations thereof) are subject to change, and any such change may adversely affect a Fund and/or its investors, possibly on a retroactive basis.

Each prospective investor is urged to consult its tax adviser as to the U.S. federal, state, local and non-U.S. tax consequences of the acquisition, ownership and disposition of Interests in the Primary Fund, including applicable tax reporting requirements.

POTENTIAL CONFLICTS OF INTERESTS

Investors should be aware that there will be occasions when the Primary Fund General Partner and its affiliates may encounter potential conflicts of interest in connection with the Primary Fund and the Syndicated Co-Investments. The following is not necessarily a comprehensive list of all potential conflicts of interest that the Primary Fund General Partner and its affiliates may encounter. The Primary Fund PPM includes extensive disclosures regarding potential conflicts of interests involved with investing in the Funds. We urge all potential investors (direct or indirect), Primary Fund L.P.s and third-party investors in each of the Funds to carefully review the Primary Fund PPM.

Certain Management and Affiliate Conflicts. The Primary Fund General Partner and other Fund general partners expects that Winthrop Management L.P., an affiliate of the Sponsor, or an affiliate of Witkoff Group may provide property and construction management services to the Primary Fund and the Syndicated Co-Investments from time to time. Winthrop Management L.P. and/or Witkoff Group will be entitled to receive property management fees and construction management fees, which may create incentives that conflict with the objectives of the Primary Fund, the Syndicated Co-Investments and/or Primary Fund L.P.s and Syndicated Co-Investment limited

partners, which fees will not offset or reduce any fees owed or paid by the Funds. In addition, Winthrop Management L.P. and Witkoff Group will continue to provide management services to entities that the Sponsor currently manages. The objectives of Winthrop Management L.P. and Witkoff Group may be different than, or conflict with, the investment objectives of the Funds.

Further, while the Primary Fund will be the exclusive discretionary vehicle for Primary Fund Investments of each of WEM-SM Holdings and Witkoff Group during the Investment Period, (a) WEM-SM Holdings and Witkoff Group expect to make Primary Fund Investments and other investments prior to and subsequent to the Investment Period (“**Permitted Primary Fund Investments**”), and (b) Witkoff Group expects to make investments other than Primary Fund Investments prior to, during and subsequent to the Investment Period (“**Other Permitted Investments**”). In some circumstances, the Permitted Primary Fund Investments may be in different levels of the capital structure of a project related to a Primary Fund Investment, which could result in differing incentives between the Primary Fund, on the one hand, and WEM-SM Holdings and/or Witkoff Group, on the other hand. For example, WEM-SM Holdings or Witkoff Group may receive real estate financing in connection with a Permitted Primary Fund Investment which is arranged by a Regional Center Manager in which the Primary Fund may have or be considering an investment at the time such financing is provided.

In the event that Witkoff Group makes Other Permitted Investments, it is possible that such Other Permitted Investments outperform the Primary Fund, creating an incentive for key personnel of Witkoff Group to devote more time and attention to such Other Permitted Investments and less time and attention to the Primary Fund. Investment performance may be adversely affected by such a reduction in the time and attention paid to the Primary Fund by one or more key personnel of the Primary Fund General Partner.

Affiliate Conflicts with Regional Center Managers. Affiliates of WEM-SM Holdings and/or Witkoff Group currently hold investments in different levels of a project which may relate to a Primary Fund Investment. In particular, certain affiliates of WEM-SM Holdings and Witkoff Group currently hold equity interests in borrowers of four loans held by the manager of one of the Primary Fund’s investments, totaling approximately \$669 million in the aggregate. With respect to new and existing loans made by this manager to WEM-SM Holdings and/or Witkoff Group affiliates, although the Primary Fund expects to seek terms that prevent this manager from making material modifications to its loan portfolio with WEM-SM Holdings and/or Witkoff Group affiliates without the consent of 80% in interest of the Primary Fund L.P.s, there can be no assurance that the Primary Fund will be able to obtain such terms, or that the Primary Fund will be able to obtain such terms with other Regional Center Managers.

Conflicts between the Funds and Other Areas of WEM-SM Holdings and Witkoff Group. Other investment vehicles or entities managed by affiliates of WEM-SM Holdings and/or Witkoff Group (“**Other Investment Vehicles**”) may invest or co-invest with the Fund in the same, different or overlapping levels of the capital structures (including both debt and equity) of a project in which a Fund has an investment. If the project in which the Primary Fund has an investment and in which an Other Investment Vehicle also has an investment, but at a different level on the capital structure, becomes distressed, goes into bankruptcy, becomes insolvent or is otherwise unable to meet its payment obligations or comply with its debt covenants under a Fund’s investment, WEM-SM

Holdings and/or Witkoff Group may have conflicts between its duties to the Fund and to such Other Investment Vehicle. In this regard, there may be certain actions and remedies in view of these interests and contractual obligations that WEM-SM Holdings and/or Witkoff Group will not or will not be able to undertake on behalf of the Fund that it would otherwise have taken absent such Other Investment Vehicle. For example, it is possible that in a bankruptcy proceeding a Fund's interest may be subordinated or otherwise adversely affected by virtue of the involvement and actions of an Other Investment Vehicle relating to a Fund's investment. The foregoing conflict may have a material adverse effect on a Fund's investment objectives and the rate of return on invested capital.

Allocation of Investment Opportunities. As described in the Primary Fund Partnership Agreement, in many instances, Investments may be made available to and shared with syndication investors through Syndicated Co-Investments (in connection therewith the Primary Fund General Partner and its affiliates expect to receive carried interest and management fees with respect to such Syndicated Co-Investments), and, thus, not all amounts available to the Primary Fund relating to a Primary Fund Investment will be retained by the Primary Fund.

Carried Interest; Syndicated Co-Investments. The existence of the Primary Fund General Partner's carried interest with respect to Syndicated Co-Investments may create an incentive for the Primary Fund General Partner to make more speculative investments on behalf of the Primary Fund or a Syndicated Co-Investment than it would otherwise make in the absence of such performance-based compensation.

Diverse Limited Partner Group. The Primary Fund L.P.s, and the third-party limited partners of any Syndicated Co-Investment, may have conflicting investment, tax and other interests with respect to their investments in the Primary Fund or any Syndicated Co-Investment, as applicable. The conflicting interests of individual Primary Fund L.P.s may relate to or arise from, among other things, the nature of Primary Fund Investments or any Syndicated Co-Investment, the structuring or the acquisition of Investments and the timing of disposition of Investments. Primary Fund L.P.s are also expected to include the Sponsor, its affiliates and/or members of the WEM-SM Holdings Team. As a consequence, conflicts of interest may arise in connection with decisions made by the Primary Fund General Partner, including with respect to the nature or structuring of Investments that may be more beneficial for one Primary Fund L.P. than for another Primary Fund L.P., especially with respect to investors' specific tax situations. In addition, the Primary Fund may make Primary Fund Investments that may have a negative impact on related investments made by the Primary Fund L.P.s in separate transactions. In selecting and structuring Primary Fund Investments appropriate for the Primary Fund, the Primary Fund General Partner will consider the investment and tax objectives of the Primary Fund, any Syndicated Co-Investment and their Primary Fund L.P.s as a whole, not the investment, tax or other objectives of any specific Primary Fund L.P.

Allocation of Broken-Deal Expenses. The Primary Fund and Syndicated Co-Investments will bear all expenses related to their operations, including expenses related to the investigation of investment opportunities. While the Primary Fund General Partner generally expects to allocate investment-related expenses between the Primary Fund and any Syndicated Co-Investments pro rata based on their relative capital commitments to the investment, the Primary Fund General

Partner may allocate expenses in such other manner that the Primary Fund General Partner, in its good faith discretion, deems equitable.

However, the Primary Fund may be subject to the entirety of expenses related to the investigation and consideration of proposed investments that are not ultimately consummated (“**Broken-Deal Expenses**”), even where, if consummated, the Primary Fund would have been allocated less than all of such investment. Broken-Deal Expenses may include, without limitation, legal, financial, tax, accounting, travel, advisory, arranging, consulting and other professional fees and expenses, as well as any liquidated damages, reverse termination fees or other similar payments incurred in connection with the pursuit of investment opportunities. The incurrence of any Broken-Deal Expenses may have a material adverse effect on the Primary Fund’s investment objectives and the rate of return on invested capital.

Legal Counsel. The Primary Fund as well as certain of its affiliates, including the Sponsor, have engaged their own legal counsel, which legal counsel will not be representing the Primary Fund L.P.s or other Fund investors with respect to the Primary Fund and/or Syndicated Co-Investments. Prospective investors should consult with and rely upon their own legal, tax and other advisers concerning the Primary Fund and/or Syndicated Co-Investments (including, without limitation, as to the terms and tax consequences of an investment in the Primary Fund and/or Syndicated Co-Investments, as well as concerning any issues relating to any investment in the Primary Fund and/or Syndicated Co-Investments by an employee benefit plan or other retirement plan or arrangement).

Placement Agents, Consultants, Brokers, and Other Persons. The Primary Fund General Partner has employed Shelter Rock Capital Advisors LLC (“**Shelter Rock**”) as placement agent to assist in raising capital for the Primary Fund and for Syndicated Co-Investments. Shelter Rock and/or any other placement agent will be compensated by the Primary Fund General Partner (and not a Fund) based on the capital raised, which means such placement agents will have an interest in obtaining commitments to the Primary Fund irrespective of the agent’s beliefs about the performance of the Primary Fund or its evaluation of the Primary Fund General Partner, the WEM-SM Holdings Team, Witkoff Group or the investment opportunity. The Primary Fund General Partner may also compensate other finders, including consultants, whether engaged by the Primary Fund, the Primary Fund General Partner, the WEM-SM Holdings Team, Witkoff Group or by any prospective investor. Each prospective investor should assume, unless told otherwise by the Primary Fund General Partner, that any third party involved in its decision to invest is compensated for its recommendation in a way that may give such person a strong incentive to encourage investment in the Primary Fund and/or to act in ways that are not in the best interest of the prospective investor.

ITEM 9. DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to our clients’ or prospective clients’ evaluation of Winthrop Capital Advisors or the integrity of our management.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither Winthrop Capital Advisors nor any of its management persons are registered, or have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

Winthrop Capital Advisors does not recommend or select other investment advisers for our clients for which we receive compensation directly or indirectly from those Advisers which could create a material conflict of interest.

Certain inherent conflicts of interest arise from the fact that: (1) Winthrop Capital Advisors will provide investment management services to more than one client; (2) clients may have one or more overlapping investment objectives; and (3) Winthrop Capital Advisors is affiliated with entities and management persons that may also have overlapping investment objectives with respect to our clients. Winthrop Capital Advisors may advise clients with conflicting investment objectives or strategies. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more clients.

Additionally, certain management persons of Winthrop Capital Advisors provide services to other pooled investment vehicles sponsored by affiliates of WEM-SM Holdings and Witkoff Group. Such management persons may be incentivized to: (i) dedicate additional time and resources to those investment vehicles with which such persons have a direct incentive compensation arrangement, and (ii) allocate attractive investment opportunities to such investments instead of our clients, each of which may have a detrimental effect on the performance of Winthrop Capital Advisors' clients.

Further, as described in Item 5 of this Brochure – *Fees and Compensation* and the operative documents (*i.e.*, Fund limited partnership agreement, Primary Fund PPM, etc.) for each of the Funds, certain affiliates of Winthrop Capital Advisors will be engaged to provide property management, construction management, construction oversight and construction development services to client assets and investments.

Winthrop Capital Advisors addresses these conflicts of interest by providing in its Code of Ethics that all supervised persons have a duty to act in the best interests of each client, providing training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under Winthrop Capital Advisors' policies and procedures.

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

Winthrop Capital Advisors has adopted and implemented a Code of Ethics (the “**Code**”) that sets forth the ethical and fiduciary principles and related compliance requirements under which Winthrop Capital Advisors operates and the procedures for implementing those principles. The Code, which is designed to comply with Rule 204A-1 under the Advisers Act, includes provisions that govern fiduciary duty, standards of business conduct, client opportunities and personal securities transactions, including certain pre-clearance and reporting obligations.

Every managing director, principal, partner or officer (or any person performing similar functions) or employee of Winthrop Capital Advisors and every natural person (whether or not an employee) who is subject to Winthrop Capital Advisors' supervision and control who (i) has access to nonpublic information regarding a client's purchase or sale of securities, (ii) is involved in making securities recommendations to a client, or (iii) has access to securities recommendations to a client that are nonpublic (collectively, "**Access Persons**") may maintain personal securities accounts, provided that such accounts are disclosed to Winthrop Capital Advisors and that any personal trading is consistent with applicable law and with the Code. Subject to compliance with the Code, employees may buy, sell or hold, for their own personal accounts, securities that Winthrop Capital Advisors also may buy, sell or hold for a client.

The Code contains policies and procedures that, among other things:

- Prohibit Access Persons from taking personal advantage of opportunities belonging to a client;
- Place limitations on personal trading by Access Persons to avoid direct conflict with a client's trading and impose, in certain cases, preclearance and reporting obligations with respect to trading;
- Require initial and annual reports of securities holdings and quarterly transaction reports by Access Persons;
- Require Access Persons to report violations of the Code of which they become aware; and
- Require Access Persons to certify annually compliance with the Code.

A copy of our Code can be obtained by contacting John Garilli, President and Chief Compliance Officer, at (617) 570-4632.

ITEM 12. BROKERAGE PRACTICES

Due to the nature of the pooled investment vehicles which Winthrop Capital Advisors advises, Winthrop Capital Advisors will rarely execute a brokerage transaction for its clients. From time to time however, we may purchase certain hedging instruments with respect to secured real estate borrowings of our clients. When choosing a broker for these transactions, we will generally consider qualitative factors including but not limited to, the broker's reliability and execution capabilities, the broker's ability to provide best execution, the commission charged by the broker, and the broker's reputation, financial strength and stability. We review the efficiency and effectiveness of any brokers used on a periodic basis.

Because of the nature of our business as a manager to a pool of real-estate related assets, Winthrop Capital Advisors does not enter into soft dollar arrangements or accept directions of brokerage from investors.

Given the nature of our advisory business, client referrals are not relevant to our selection or recommendation of a broker-dealer.

ITEM 13. REVIEW OF ACCOUNTS

The Funds that we advise invest in real estate-related assets. These investments are monitored by Winthrop Capital Advisors and each Fund's general partner on a regular and current basis. Investors in the Funds we manage generally receive reports on a quarterly and annual basis. Fund investors will also receive annual audited financial statements for the Fund(s) in which they invest as well as an audited financial statement in the event of a Fund liquidation at a time other than the Fund's fiscal year end. Refer to the operative documents (*i.e.*, Fund limited partnership agreement, Primary Fund PPM, etc.) for each Fund for additional details on the reports provided to Fund limited partners.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Winthrop Capital Advisors does not have any placement or "finders" arrangements for referrals of clients. However, our affiliates have entered into placement or "finders" arrangements for soliciting investors into the Funds we advise. The Funds disclose in their offering documents that they may enter into these arrangements. In addition, the Funds generally require investors to acknowledge any fee payments relating to solicitation arrangements.

Generally, fees for solicitation services for investors in our Funds will be ultimately paid by the Funds' general partners and not by the Funds or investors in the Funds themselves. Third-party solicitors in the United States will be registered as broker-dealers with the SEC, and third-party solicitors outside of the United States will be registered with a non-U.S. regulatory body to the extent such registration is required in the applicable non-U.S. jurisdiction.

ITEM 15. CUSTODY

Due to the access to Fund assets, Fund investor capital accounts and authority to deduct fees and other expenses possessed by our affiliates as general partners of the Funds we advise, we are deemed under Rule 206(4)-2 of the Advisers Act to have custody of our clients' funds.

We use the services of a bank or other qualified custodian (as defined under Rule 206(4)-2) to hold all assets of any of the Funds we advise. We also ensure that the qualified custodian maintains these assets in accounts that contain only clients' funds and securities.

While Rule 206(4)-2 generally requires an investment adviser to ensure that a qualified custodian sends account statements to clients at least quarterly, we are not subject to this requirement because all Funds managed by us are subject to audit at least annually by an independent auditor that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board and a final audit upon liquidations which occur prior to a fiscal year end. Fund general partners distribute audited financial statements to all investors of our Funds following the end of the fiscal year of such Fund within the number of days required by Rule 206(4)-2 and following a Fund liquidation occurring at other than a fiscal year end.

Winthrop Capital Advisors, from time to time, maintains custody of loans, certificates and uncertified or “privately offered securities” acquired directly from the issuer in private placements or non-public transactions. We deposit all other Fund assets (including any other fund securities, to the extent Winthrop Capital Advisors acquires or comes into possession of such securities) with a qualified custodian. We give our clients notice in writing of the name and address of the qualified custodian(s) used and the manner in which the assets are maintained.

ITEM 16. INVESTMENT DISCRETION

Winthrop Capital Advisors has full discretionary authority over our clients’ assets (including the Primary Fund’s assets and the assets which constitute any Syndicated Co-Investment) to operate within the parameters of each Fund’s partnership agreement, our management agreement with each Fund and the governing documents of each Fund, subject in all cases to the ongoing oversight review of the general partner of each Fund and each general partner’s responsibility for setting general policies with respect to their respective Funds. Winthrop Capital Advisors performs a thorough review of each client’s operative documents and engages in day-to-day monitoring of each of our client’s performance and portfolio composition to ensure customization of its services to best meet the needs of the client. Winthrop Capital Advisors’ discretionary authority to manage client assets is based upon the authority granted to us in our management agreements, subject to the terms of the Fund limited partnership agreements and other Fund operative documents.

ITEM 17. VOTING CLIENT SECURITIES

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds. The guiding principle by which the Adviser votes or grants consent is to act in the best interests of each Fund by maximizing the economic value of the relevant Fund’s holdings, taking into account the Fund’s investment horizon, the contractual obligations under the relevant Management Agreements or comparable documents, and all other relevant facts and circumstances at the time of the vote or consent. The Adviser does not permit voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Adviser’s general policy to vote or give consent on all matters presented to security holders for a vote or consent. However, the Adviser reserves the right to abstain on any particular vote or otherwise withhold its vote or consent on any matter if, in the judgment of the Adviser’s Chief Compliance Officer or the relevant Adviser investment professional, the costs associated with such vote or consent outweigh the benefits to the relevant Fund or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Fund.

All voting decisions initially are referred to the Adviser’s Chief Compliance Officer or appropriate investment professional for a voting decision. In most cases, the Adviser’s Chief Compliance Officer or the investment professional covering the particular investment will make the decision as to the appropriate vote or consent. In making such decision, he or she may rely on any of the information and/or research available to him or her. If the investment professional is making the

voting or consent decision, the investment professional will inform the Chief Compliance Officer of any such voting or consent decision, and if the Chief Compliance Officer does not object to such decision as a result of his or her conflict of interest review, the vote will be made or consent granted in such manner. If the investment professional and the Chief Compliance Officer are unable to arrive at an agreement as to how to vote or as to whether to grant consent, then the Chief Compliance Officer may consult with the Adviser's Chief Executive Officer as to the appropriate decision, who will then review the issues and arrive at a decision based on the overriding principle of seeking the maximization of the economic value of the relevant Funds' holdings.

The Adviser's Chief Compliance Officer has the responsibility to monitor votes or consents for any conflicts of interest, regardless of whether they are actual or perceived. All voting and consent decisions will require a mandatory conflicts of interest review by the Adviser's Chief Compliance Officer in accordance with these policies and procedures, which will include consideration of whether the Adviser or any investment professional or other person recommending how to vote/consent and/or the Adviser's affiliates and their clients has an interest in how the decision is made that may present a conflict of interest. In addition, all Adviser investment professionals are expected to perform their tasks relating to votes and consents in accordance with the principles set forth above, according the first priority to the best interest of the relevant Funds. The Adviser's Chief Compliance Officer will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the Funds.

Where the Adviser's Chief Compliance Officer deems appropriate in his or her sole discretion, unaffiliated third parties may be used to help resolve conflicts. In this regard, the Adviser's Chief Compliance Officer shall have the power to retain independent fiduciaries, consultants, or professionals to assist with voting decisions and/or to delegate voting or consent powers to such fiduciaries, consultants or professionals.

Copies of relevant proxy/consent logs, identifying how proxies were voted and whether consents were granted in connection with a Fund and copies of voting policies are available to any client or prospective client upon written request to: John Garilli at 617-570-4632 or jgarilli@winthrocapi.com to obtain further information.

ITEM 18. FINANCIAL INFORMATION

As of the date of this report, to the best of Winthrop Capital Advisors' knowledge, no financial condition exists that is reasonably likely to impair Winthrop Capital Advisors' ability to meet contractual commitments to our clients.