

Form ADV – Part 2A: Brochure

Item 1: Cover Page

Calamar Capital Management, LLC
3949 Forest Parkway, Wheatfield, NY 14120
(716) 693-0006

This Brochure provides information about the qualifications and business practices of Calamar Capital Management, LLC, a Delaware limited liability company registered with the U.S. Securities and Exchange Commission (“CCM”, and sometimes, the “firm”, “we” or “us”). If you have any questions about the contents of this Brochure, please contact us at (716) 693-0006 and/or via email at dwojciechowski@calamar.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about CCM also is available on the SEC’s website at www.adviserinfo.sec.gov. Registration as an investment adviser does not imply a certain level of skill or training.

The communications we provide to you, including this Brochure, serve as information for you to use to evaluate CCM and should be considered in your decision whether to engage, or continue to maintain a relationship with, CCM.

March 2019

Item 2: Material Changes

There have been no material changes since the last filing of this brochure made in March 2018.

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Item 4: Advisory Business

CCM is a Delaware limited liability company that is registered with the Securities and Exchange Commission. CCM is controlled and managed by its parent company, Calamar Capital Network, LLC (“CCN”). CCM manages assets of private investment funds, including privately-offered real estate investment trusts (“REITs”), which own various limited liability companies or other entities that invest in real estate assets in the United States. CCM also provides general investment advisory services to a broad range of individual and institutional investors, as described below in Item 7 – Types of Clients.

CCM is a wholly-owned subsidiary of CCN, a holding company wholly-owned by Mr. Kenneth Franasiak. CCM is affiliated and under common control with Calamar Enterprises, Inc. (“Calamar Enterprises” and, together with CCM and their affiliates, “The Calamar Group”), founded in 1994. Calamar Enterprises is a vertically integrated real property company with in-house development, construction, financing, leasing, and property management divisions. Calamar Enterprises has over 25 years of real property development and construction expertise, and it benefits from the combined 60 years’ of experience of its senior staff in developing, constructing and operating diverse real property projects, including senior residential apartment complexes. Calamar Enterprises and its affiliates provide diversified real estate services, and they maintain offices in Wheatfield, New York, North Andover, Massachusetts, Omaha, Nebraska, and Corona del Mar, California. Calamar Enterprises and its affiliates are builders, developers and property managers for their own account as well as for the benefit of third party investors.

The primary investment objective of CCM is to provide its clients with structured portfolios of investments in real estate. As of December 31, 2018, regulatory assets under management on a discretionary basis were approximately \$29,646,101.

The Calamar Advantage

Our strategy is to develop, construct, lease-up, and exit a portfolio of real property investments, including in particular, senior residential communities. On behalf of our clients, we develop senior housing projects throughout the United States with the objective of constructing and leasing those projects, capturing a stream of rental income, and ultimately benefitting from the appreciation of the underlying real property.

The Calamar Group typically makes a significant financial contribution to the funds it manages in order to ensure that its financial interests are aligned with those of its clients and investors.

Item 5. Fees and Compensation

CCM typically receives asset-based advisory compensation in connection with the advisory services it provides to Calamar Capital Services, LLC, (“CCS”) on behalf of CCS’ clients. In addition, it may receive performance-based compensation if specified performance thresholds are met pursuant to its sub-advisory agreement with CCS (as more fully discussed in Item 6 - Performance-Based Fees and Side-by-Side Management).

Asset-Based Compensation

Advisory fees are typically calculated on a fixed-fee basis or as a percentage of assets under management. Fee-related terms for clients take into account the investment strategy to be employed, the account size and the specific services to be performed. Fee terms are set forth in a written advisory contract between a client and CCS.

Advisory fees for CCS' clients typically range from 0.5% to 1.5% of their respective capital commitments, often incorporating market-standard "step-downs" or reductions in such percentage rates depending on the applicable fund's investment cycle. However, in situations where a client fund is expected to initially produce little revenue, CCS' advisory fees may begin at a discounted rate and increase over time as additional revenue becomes available to the client fund. Fee terms are generally non-negotiable, although CCS may, in its sole discretion, agree that a client and/or an investor, including clients and investors that are affiliates of CCS, is eligible for a reduction or waiver of some or all management fees, without notice to, or the consent of, other clients or investors, subject to the terms of applicable governing documents and applicable law. Certain investors may also be eligible for volume discounts or founders-round discounts not available to all investors, as well as discounts if they have previously invested or expect to invest in another fund. Please refer to Item 10 – Other Financial Industry Activities and Affiliations for further information on the sub-advisory relationship and compensation between CCS and CCM.

Advisory fees are typically paid quarterly in arrears, although varying payment arrangements may be negotiated on a client-by-client basis. Advisory fees are typically billed directly to the client. Specific fee terms are set forth in the governing document of the applicable client. While fees are typically calculated and collected quarterly, the amount of the advisory fee charged in any year may be adjusted in subsequent years to reflect updated information.

Performance-Based Compensation

CCS may receive performance-based fees from its clients. Performance-based compensation is payable only if specified performance thresholds are met. The specific manner and rate at which such compensation is calculated varies, depending (among other factors) on the specific investment strategy employed, and in all cases is set forth in the applicable governing documents. CCM does not receive performance-based fees from its clients.

Other Costs and Expenses

As disclosed in the governing documents, the CCM-managed funds are permitted to bear their pro rata share of the costs and expenses incurred in the operation and/or administration of the funds. At the time of this brochure, the private funds are not paying for any expenses other than the advisory fee paid to CCS in which a sub-advisory fee is paid to CCM as described above.

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

As discussed above in Item 5 – Fees and Compensation, under certain circumstances CCS may receive performance-based compensation from its clients. CCM does not receive any performance-based compensation.

The compensation structure of funds managed by CCS may include a performance-based fee payable as a "carried interest". This compensation consists of a fixed percentage rate of the profits (net of fees and expenses) payable after the particular fund has achieved specified performance hurdles.

Performance-based fees may create an incentive to recommend investments that are riskier or more speculative than would be the case in the absence of such compensation. CCM has implemented procedures to ensure that clients are treated fairly, and to prevent this potential conflict of interest from influencing the allocation of investment opportunities among its clients. All clients, regardless of the fee structure to which they are subject, are allocated investment opportunities on a fair and equitable basis

pursuant to the fiduciary duty and contractual obligations CCM and CCS owes their clients. See “Conflicts of Interest” under Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading. Performance-based compensation is paid pursuant to Rule 205-3 of the Advisers Act as fully described in the applicable governing and offering documents.

CCS will make side-by-side equity contributions to its client funds with the other investors in those funds, in order to ensure the alignment of the interests of The Calamar Group and the other investors in these funds.

Item 7. Types of Clients

CCM provides discretionary management and property management services to its clients, the private funds.

The investors which participate in private funds managed by CCM or any affiliate of the firm are (i) “accredited investors” pursuant to Rule 501(a) of the Securities Act of 1933, as amended (the “Securities Act”), (ii) “qualified purchasers” pursuant to Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended (the “1940 Act”), and/or (iii) otherwise meet the eligibility and suitability requirements of the offshore transaction exemptions of the applicable U.S. and state securities laws. Such investors may include:

- state and municipal government agencies;
- family offices;
- investment trusts and estates;
- investment advisers;
- high net worth individuals; and
- certain Calamar Group employees (directly or indirectly through affiliated vehicles).

Investors in the private funds are typically required to meet minimum investment thresholds (as set forth in the applicable governing documents), although CCM reserves the right to waive or modify stated requirements in its sole discretion.

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

The firm’s business is comprised of private equity and infrastructure investment strategies. Our investment program consists primarily of private funds (including privately-placed REITS), focusing on investment opportunities that facilitate the creation, ownership and operation of real estate assets in the United States that provide investors with a diversified portfolio of properties, including in particular, senior housing and multi-family properties.

Related Entity Properties to be Acquired

It is intended that CCM, through private investment funds (which may include funds managed by affiliates of the firm or otherwise), will acquire existing real property assets and also develop and construct new real property assets, with projects involving the creation of new real property assets to be focused primarily on the development of senior residential communities (the “Development Properties”). Development Properties will be advanced through the site acquisition, pre-construction development and debt financing phases before they are contributed to various participating clients at a valuation equal to their historic cost, in exchange for which The Calamar Group will receive of a percentage ownership interest in each fund.

Philosophy

CCM intends to identify and develop investments in real properties, create stabilized cash flow opportunities, and realize the benefit of real property appreciation.

The firm intends to manage the assets of clients with the objective of producing current cash flow and ultimately realizing a favorable multiple of invested capital at the time that the property investment program is exited. While no assurance can be given that such favorable multiples can be obtained, the firm believes its clients are more likely to achieve their investment objectives if their capital is deployed, either directly or through investment in private funds, into a stable group of income producing properties. CCM believes that its clients’ real estate investments should be held patiently for a sufficient period of time, to achieve rent stabilization and long-term appreciation.

CCM-originated investments will be focused primarily on senior housing facilities, but the firm may also pursue investments in other categories of income producing real property.

Risk Control

To the extent practical, Calamar intends to manage the following clients’ risks:

1. Investing in Real Estate: Because real estate, like many other types of long-term investments, historically has experienced significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of real property interests. The marketability and value of the real property interests will depend on many factors beyond the control of CCM, including, without limitation: (i) changes in general or local economic conditions; (ii) changes in supply of or demand for competing properties in an area (e.g., as a result of over-building); (iii) changes in interest rates; (iv) the promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety; (v) unavailability of mortgage funds which may render the sale of a property difficult; (vi) the financial condition of tenants, buyers and sellers of properties; (vii) changes in real estate tax rates and other operating expenses; (viii) the imposition of rent controls; (ix) energy and supply shortages; (x) various uninsured or uninsurable risks; and (xi) acts of war or terrorism or natural disasters and uninsurable losses. Since investments in real estate generally are not liquid, there is no assurance that there will be a ready market for real property interests. In addition, general economic conditions in the United States and abroad, as well as conditions of domestic and international financial markets, may adversely affect operations.
2. Investing in Senior Housing: There are a number of risks inherent within the senior housing industry. Investing in senior housing requires knowledge of real estate investing. Regulatory changes ranging from accounting practices to new state regulations may affect the senior housing. Furthermore, the risk of liability exposure of senior housing operators is inherent in the servicing of aging seniors.

3. Illiquid Investments: Certain investments (such as privately-offered REITs and other private placements) are often illiquid, which means that the investments can be difficult to trade and consequently can limit an investor's ability to sell fund investments in a timely manner and at an advantageous price. Generally, a less liquid investment bears more risk than a more liquid one.
4. Investments in a Private Fund/Partnership: An investment in a private fund or partnership entails a high degree of risk and is suitable only for sophisticated institutions and individuals for whom an investment in a private fund or partnership does not represent a complete investment program. An investment in a private fund or partnership requires the financial ability and willingness to accept the substantial risks and lack of liquidity inherent in such investment. Investors in a private fund or partnership must be prepared to bear such risks for an indefinite period of time. Prospective investors to a private fund or partnerships should carefully review the applicable governing documents. Prospective investors are also encouraged to consult their own legal, investment, tax, and other advisers, and the applicable offering documents, as to whether an investment in a private fund or partnership is appropriate for them.
5. Lack of Diversification: Because CCM is generally allowed to concentrate its investments in limited geographic areas and significant percentages of its commitments in a single investment or type of investment, the overall adverse impact on the client of adverse movements in the value of a single property will be considerably greater than if CCM were not permitted to concentrate its investments to such an extent.
6. Competition and Affiliate Relationships: The private funds may encounter competition for real property investments from numerous other real estate investment partnerships, limited liability companies and trusts, as well as from individuals, corporations, bank and insurance company investment accounts, non-U.S. investors and other entities engaged in real estate investment activities, including, under certain circumstances, CCM and its affiliates. CCM and its affiliates will continue to engage in other activities, some of which may compete directly with the private fund. Certain of the affiliated companies may from time to time use investment strategies similar to the private fund's investment strategies. Accordingly, there may be conflicts between or among the various entities.
7. Risk of Loss: Investing in securities (including privately offered REITs and other private placements) involves risk of loss. Further, depending on the different types of investments, there may be varying degrees of risk. Investors in CCM-managed funds should be prepared to bear investment loss including loss of original principal. Furthermore, clients may be forced to hold such investments for a substantial period of time before realizing any anticipated value.
8. Non-Recourse or Limited Recourse Financing: Wherever possible, CCM will generally make investments in properties through separate single purpose legal entities. CCM will cause funds that it manages (and for which it finds investments that are suitable for a fund based on its investment guidelines) to either contribute capital to or loan to these single purpose entities which will in turn seek non-recourse or limited recourse financing for each project. Where reasonably possible, CCM will not provide open-ended guaranties of such property level debt or provide guaranties of customary non-recourse carve-outs for environmental risk, fraud, intentional misconduct and the like. CCM's intent is take reasonable steps to try to mitigate the risk of a single bad investment that would expose its clients to open-ended liability. However, there is no assurance that non-recourse financing can be obtained without guaranties being provided by the fund itself. CCM is authorized to cause a client to provide such guaranties based on the governing documents of each client.

9. Leverage and Risk of Borrowing: The private funds expect to utilize significant leverage in connection with its investments. Although CCM will seek to use leverage in a manner it believes is prudent, such leverage will increase the exposure of an investment to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the investment. If the private fund defaults on secured indebtedness, the lender may foreclose and the private fund could lose its entire investment in the security for such loan. Because the private fund may engage in portfolio financings where several investments are cross-collateralized, multiple investments may be subject to the risk of loss.
10. Cybersecurity: The Calamar Group and its service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage or interruption from computer viruses, network failures, computer and telecommunications failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. A cybersecurity breach could expose both The Calamar Group, and its private funds to substantial costs (including, without limitation, those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage), civil liability as well as regulatory inquiry and/or action. In addition, any such breach could cause substantial withdrawals from a private fund. While CCM has established a business continuity plan in the event of, and risk management strategies, systems, policies and procedures to seek to prevent, cybersecurity breaches, there are inherent limitations in such plans, strategies, systems, policies and procedures including the possibility that certain risks have not been identified. Furthermore, CCM and its private funds cannot control the cybersecurity plans, strategies, systems, policies and procedures put in place by other service providers to the private funds and/or the properties in which the private funds invest.

CCM intends to manage its clients' investments by outsourcing leasing, property management and construction services at market rates, and in many cases these services will be provided by The Calamar Group. The Calamar Group will also receive property management fees equal to a percentage of the gross rental income of those properties.

Item 9. Disciplinary Information

Neither CCM nor any of its employees, officers or directors have any legal, financial or other disciplinary information to disclose at this time.

Item 10. Other Financial Industry Activities and Affiliations

As described in Item 4, CCM often engages affiliates for investment sales, property management, leasing, debt financing, fund accounting, reporting, performance and other services from time to time on behalf of its clients. We believe that the affiliation with The Calamar Group and access to its platform is a benefit that our clients expect. However, having multiple affiliates that are in the real estate services business may give rise to a conflict of interest if CCM has discretion to select, or is responsible for recommending to a client, service providers that are affiliates.

CCM's financial industry affiliates also include CFG, LLC ("CFG"), a Delaware limited liability company that is a member of the Financial Industry Regulatory Authority ("FINRA"), and is a registered broker-

dealer. Among other activities, CFG is permitted to undertake the private placement of interests in funds managed by CCM. CFG does not maintain brokerage accounts or engage in trading activities and no client portfolio transactions are effected through the broker-dealer.

CCM serves as a sub-adviser to CCS, pursuant to a written sub-advisory agreement between the parties. The sub-advisory agreement provides for the allocation of assets from CCS-managed funds to CCM in consideration of an annual sub-advisory management fee equal to twenty-five basis points (0.25%) of the net asset value of assets allocated to CCM.

All investment decisions on behalf of advisory clients are made by CCM, and not by any of its respective affiliates.

Outside Business Activities

Control persons of CCM may serve as directors, officers, advisors or provide management functions for portfolio companies or project companies in which the firm or its affiliates directly or indirectly invest, as well as for entities unrelated to the firm. Affiliates of the firm may be provided access to confidential information relating to public companies and/or portfolio companies, including those in which clients may be directly or indirectly invested. As a result, certain clients may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the securities of certain public companies and/or portfolio companies, which prohibition may have an adverse effect on the portfolios held by such clients and, indirectly, their respective investors.

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

Participation or Interest in Client Transactions and Personal Trading

In accordance with Rule 204A-1 under the Advisers Act, CCM has adopted a Code of Ethics (the “Code”) that requires all employees who are deemed to be “access persons” within the meaning of the Code to conduct themselves with the highest standards of integrity in accordance with such Rule. Under the Code, all access persons have a fiduciary duty to put the interests of our clients ahead of either themselves or CCM. The firm will provide a copy of the Code to any client, investor or prospective client or investor upon request.

The Code requires all employees to seek pre-trade approvals from the compliance officer prior to engaging in a personal securities transaction (subject to limited exceptions). In addition, all employees must provide initial and annual holdings reports as well as quarterly trade reports.

The Code requires employees to make reasonable efforts to identify actual or apparent conflicts of interest and to comply with laws and regulations governing the industry, including applicable federal securities laws. The Code also requires CCM to maintain records relating to the Code and includes procedures for oversight of its compliance with the Code.

Pursuant to the Code, the firm has adopted policies and procedures reasonably designed to detect and prevent the misuse of material non-public information and to monitor gifts and entertainment, political contributions and other business activities.

Conflicts of Interest

Prospective clients of CCM should be aware that there may be occasions when CCM and/or its affiliates will encounter potential conflicts of interest in connection with a client’s activities.

Allocation of Investment Opportunities

Certain investment opportunities may be appropriate for multiple clients and conflicts may arise regarding the execution of CCM's duties to its various clients. It may allocate such opportunities amongst clients in accordance with its investment allocation policy, which requires that we treat clients and their respective investors in a fair and equitable manner, taking into account all relevant factors, including contractual obligations and applicable fiduciary duties. Within this general framework, it should be noted that not all investment opportunities are suitable for all clients.

In determining allocations of such opportunities, CCM may take into account various factors, including:

(i) certain restrictions and/or requirements imposed by underlying funds and managers; (ii) the ratio of the total allocation requested by CCM for all its products to the commitments available from each such product; (iii) each such client's investment guidelines, as well as relevant strategic plans and current portfolio; (iv) other relevant investment opportunities expected to be in the pipeline; (v) each client's risk/return profile; (vi) current market conditions with respect to each client; and (vii) any other factors the relevant investment committee deems relevant.

Costs and Expenses

Costs and expenses are borne by various clients in accordance with the applicable governing documents. Potential conflicts exist when such costs and expenses relate to services provided by The Calamar Group and its employees, or are allocable between investment products with different fee structures, or when a particular investment product bears expenses incurred to satisfy the requirements of lenders, tax equity providers, co-investors or other counter-parties.

Clients may have conflicting investment, tax, and other interests with respect to their investment. In selecting and structuring appropriate investments for funds that allocate assets to the firm for management, CCM will consider the investment and tax objectives of such a client and its investors, as a whole, and not the investment, tax, or other objectives of any individual investor.

The Calamar Group and its employees may invest directly or indirectly in private funds managed by CCM as limited partners or members, as the case may be, on a fee-paying or fee-free basis, as members of the managing member or general partner or through other investing entities and will share in any profit and loss with respect thereto. Such investors will be in possession of information relating to the private funds and the portfolio not available to other investors and prospective investors.

Other Business Activities

CCM and its affiliates or employees have reserved the right to spend substantial time and attention on other business activities, including other investments in real property in which the compensation structure may differ or be more favorable to CCM and/ or its affiliates. CCM's clients may be subject to performance-based fees, and employees providing advice to these clients may also hold interests in co-investments and may also provide investment advisory services with respect to similarly managed investment products that do not assess performance-based fees, thereby providing less incentive to spend the same time and attention on the clients which do not provide the opportunity to produce performance-based fees.

Relationships with Service Providers

CCM and its agents, consultants and employees have developed many relationships with third parties (including affiliates and former employees), some of which could be viewed as significant, close or personal. These third parties may introduce investment opportunities, arrange for financing, introduce potential acquirers or sellers, provide professional services (including, without limitation, portfolio servicing

administrative services), co-invest in investment opportunities or provide other significant business, investment or portfolio servicing administrative services and may receive direct commercial compensation from a client or portfolio company for providing these services. Moreover, affiliates and employees of CCM may provide services to clients or portfolio companies and project companies in which CCM clients (and indirectly their respective investors) have a beneficial interest. Fees associated with these services may not be subject to an advisory fee offset or other reduction in fees payable by the client to CCM, as otherwise may be available pursuant to the applicable governance documents.

The team considers a number of selection criteria when deciding on the hiring of a service provider, including, but not limited to: recent experience in the local market and property type, both user and investor; depth and breadth of regional and national experience; team knowledge and capabilities; conflicts of interest; prior experience with the team and/or company; pricing analysis and recommendations; fee proposal; and preferences from counterparty (whether it is a seller, lender or joint venture party).

Item 12. Brokerage Practices

CCM's clients primarily invest in assets that are purchased and sold through privately negotiated transactions without the assistance of broker-dealers. However, from time to time, a product may receive in-kind distributions of public securities. In such cases, CCM has discretion to select a broker-dealer, including its affiliated broker-dealer, to effect a disposition, taking into consideration the difficulty of executing the trade, the broker-dealers' general ability to execute transactions in a timely manner, their experience with the asset class or types of securities relevant to the transaction, the reasonableness of fees and commissions, the fact that there may be a limited number of broker-dealers who can execute certain trades, willingness to assume principal risk and its past experience with the broker-dealer.

In deciding what constitutes best execution, the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution. Within the bounds of duty to provide "best execution" for its client accounts, CCM may cause clients to pay higher fees or commissions than might be available through other available broker-dealers. In-kind distributions of restricted stock may result in delayed settlement.

CCM does not engage in soft dollar arrangements with respect to securities transactions for its funds. CCM does not receive client referrals from broker-dealers and does not have any directed brokerage practices. Notwithstanding the foregoing, brokerage practices may be modified by the applicable governing documents or by the firm upon notice to its clients.

Item 13. Review of Accounts

CCM reviews the investment accounts of its clients on an ongoing basis, evaluating; client portfolios, investment strategies, allocation of investments, suitability within the applicable strategies and other relevant matters, as well as unusual or extraordinary macroeconomic, market or political news that may reasonably be expected to affect client portfolios. Reviews are conducted periodically and on an as-needed basis, among other things, to approve final investment and divestment decisions for client accounts.

CCM typically provides periodic reports to its clients. Quarterly reports contain unaudited financial statements as of the end of a fiscal quarter and as of the end of the fiscal year. Clients may also receive quarterly or other periodic capital account statements depending upon the agreed upon terms of the applicable governing documents.

CCM intends to use e-mail to communicate with its clients in lieu of paper mail, unless otherwise requested. Clients should expect all communications to be effected electronically once CCM has been provided with a client's email address. Clients may also be asked to provide their consent to the receipt of

regulatory disclosures or other documents, statements and information in electronic form, and clients are urged to provide such consent in order to accelerate the receipt of important information.

Item 14. Client Referrals and Other Compensation

From time to time, CCM may pay a fee to placement agents, including its affiliated broker-dealer, to refer clients to CCM. All or a portion of payments made to placement agents may be borne by clients under the terms of the relevant governing documents of that client.

Item 15. Custody

CCM does not maintain physical custody of client assets (other than certain privately offered securities to the extent permitted under the Advisers Act). Where CCM comes into possession of any client cash or securities, it will promptly return that property to the client or as otherwise required by law.

The private funds are subject to an annual independent verification by an independent public accountant. An independent public accountant also completes an internal control report for a related person who acts as qualified custodian for the private funds.

Item 16. Investment Discretion

CCM has discretionary authority to make investment decisions on behalf of its clients whose assets it manages, subject to the investment objectives, policies and restrictions agreed to in writing with each client.

CCM has discretion to agree with investors in the private funds to waive or modify the application of any provision of the investment terms applicable to such investor in a "side letter" or in any other manner, without obtaining the consent of any other investor in such private fund.

Item 17. Voting Client Securities

The clients invest in real estate related assets which do not issue proxies. In the event that a client acquires equity positions or other positions that solicit proxies in the future, CCM will develop and implement policies and procedures to vote such proxies in accordance with its fiduciary duty. In such instance, investors can obtain a copy of CCM's proxy voting policy or information with respect to any applicable proxy votes submitted on behalf of the relevant client by contacting the firm at the phone number above.

Item 18. Financial Information

CCM does not have financial commitments that impair its ability to meet contractual and fiduciary commitments to clients, nor has it been the subject of a bankruptcy proceeding.