



Private Equity Real Estate

Part 2 of Form ADV

Item 1. Cover Page

CenterSquare Investment Management LLC
630 W. Germantown Pike, Suite 300
Plymouth Meeting, PA 19462

Form ADV Part 2 (As of March 29, 2019)

This brochure (“Brochure”) provides information about the qualifications and business practices of CenterSquare Investment Management LLC. If you have any questions about the contents of this Brochure, please contact Scott Maguire, Managing Director and Head of Investor Relations, at (610) 818-4612 and/or via email at smaguire@centersquare.com. Please visit our website at www.centersquare.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

CenterSquare Investment Management LLC is registered with the SEC as an investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about CenterSquare Investment Management LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Summary of Material Changes

This current Brochure is an annual update and there have been no material changes since the last annual update filed on March 29, 2018.

You are encouraged to read this updated Brochure in its entirety.

Item 3. Table of Contents

<u>Item</u>	<u>Page</u>
Item 1. Cover Page	1
Item 2. Summary of Material Changes.....	2
Item 3. Table of Contents.....	3
Item 4. Advisory Business.....	4
Item 5. Fees, Expenses, and Other Compensation.....	6
Item 6. Performance Fees and Side-by-Side Management	9
Item 7. Types of Clients.....	12
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	13
Item 9. Disciplinary Information	21
Item 10. Other Financial Industry Activities and Affiliations.....	21
Item 11. Code of Ethics, Participation or Interest in Client Transactions, Personal Trading	24
Item 12. Brokerage Practices.....	26
Item 13. Review of Accounts.....	27
Item 14. Client Referrals and Other Compensation.....	28
Item 15. Custody	29
Item 16. Investment Discretion.....	30
Item 17. Voting Client Securities.....	30
Item 18. Financial Information	30

Item 4. Advisory Business

Background

CenterSquare Investment Management LLC (“CenterSquare” or “Firm” or “We” or “Us”) is a limited liability company organized under the laws of the State of Delaware. We are wholly owned by CenterSquare Investment Management Holdings LLC (“CenterSquare Holdings”). Funds managed by a subsidiary of Lovell Minnick Partners LLC (“Lovell”), a private equity firm registered with the Securities and Exchange Commission (the “SEC”) as an investment adviser, along with a co-investor, own a majority ownership interest in CenterSquare Holdings based on capital invested. The remaining ownership interest in CenterSquare Holdings is held by CenterSquare Management Equity Holdings LLC (“CSME”) which is owned and controlled by certain executive officers of CenterSquare (“Executive Officers”). Certain other employees of CenterSquare have also invested in CSME. As a result of the allocation of profit interests, CSME has a significant ongoing economic interest in CenterSquare Holdings which is in excess of its ownership interest based on capital invested. CSME controls the day-to-day operations of CenterSquare. CenterSquare, formerly CSIM Investment Management LLC, was organized and formed in September 2017.

On January 5, 2018, CenterSquare completed the purchase of the assets of CenterSquare Investment Management Holdings, Inc. and CenterSquare Investment Management Inc., each of which was a direct or indirect wholly owned subsidiary of The Bank of New York Mellon Corporation. At the time of the purchase, the Executive Officers and other employees, service contracts, assets and performance related information of these two entities were fully transferred to CenterSquare.

Advisory Services

We provide private equity discretionary and non-discretionary investment advisory services to:

- institutional investors in the form of separate accounts;
- pooled investment vehicles that are exempt from registration as investment companies pursuant to the Investment Company Act of 1940, as amended, in the United States (including private funds); and
- other investment advisory services through subadvisory agreements.

We primarily focus on the U.S. private equity real estate market, with investments in value-added and core/core-plus real estate (our “Private Real Estate Strategy”). *Please see Item 8 below for further information on our strategies.*

In our Private Real Estate Strategy, we offer investment advisory services tailored to meet clients’ individual investment goals in the form of separate accounts. We work with clients to create investment guidelines mutually acceptable to us and the client. When creating investment guidelines, clients may impose investment restrictions, including limitations on the use of leverage, legal entity structures, or specific property types. Certain separate account clients are non-discretionary as client approval is required prior to transacting on behalf of the client.

We also offer discretionary investment advisory services to private funds, including closed-end property investment funds. Each private fund has an investment objective and a set of investment policies and/or guidelines that we must follow. For this reason, we cannot tailor the investment advisory services we provide to pooled investment vehicles to meet the needs of any individual investor in such vehicles.

In addition, we cannot impose individual investment restrictions on our investment strategies for underlying investors in the pooled investment vehicles. Our investment advisory services provided to pooled investment vehicles may be in the form of subadvisory agreements.

Separate account clients and funds that follow our Private Real Estate Strategy typically acquire and hold real property through a joint venture with an unaffiliated operating partner. Operating partners receive compensation from these joint ventures for services they provide to the respective venture. Compensation may be in the form of a property management fee (if the operating partner manages the property), acquisition fee, construction management fee, a promote or carried interest, or one or more of such fees. On occasion, operating partners may retain unaffiliated third-party property management or leasing companies. This compensation paid to these third-party operating partners or unaffiliated third-party service providers does not offset fees due to the Firm under any investment advisory agreements with clients or funds. There may be instances whereby a property is acquired solely by a separate account client or fund without an operating partner. In these instances, a third-party property management company will be retained to manage the respective property.

A client or fund portfolio may contain investments in office, retail, industrial, multifamily, land, hospitality, parking, and other type of investments as stated in client or fund agreements. *Please see Item 8 below for further information on the investment process.* To the extent that we provide investment advice to a “municipal entity” or an “obligated person” regarding the investment of proceeds of a “municipal security” (as defined for purposes of the rules promulgated under the Securities Exchange Act of 1934, as amended), such advice will be given solely in our capacity as an investment adviser.

Additional Services - Public Securities Strategy

In addition to the foregoing, CenterSquare provides discretionary and non-discretionary advice regarding publicly traded equity securities, including listed real estate investment trusts and operating companies, and publicly traded infrastructure equity securities (together, the “Additional Services” or our “Public Securities Strategy”). The Additional Services are further described in a separate ADV Part 2A Brochure that is distributed to each client to which we provide the Additional Services and can be viewed at the SEC’s website at www.adviserinfo.sec.gov.

Assets Under Management

As of December 31, 2018, CenterSquare managed approximately \$8.8 billion in total assets under management (“AUM”). Of the total AUM, \$581.5 million is part of our Private Real Estate Strategy of which \$203.0 million is managed on a discretionary basis and \$378.5 million on a non-discretionary basis. AUM of \$8.2 billion is managed on a discretionary basis as part of our Public Securities Strategy.

Item 5. Fees, Expenses, and Other Compensation

We provide investment advisory services for a fee. Fees may vary based on the type of account and the strategy that the account follows, among other things. Fees are expressed as an annual percentage. Separate account investment advisory agreements or private fund offering documents may also provide for expenses in addition to our advisory fees including costs relating to the administration of the account and its investments. Please refer to the respective investment advisory agreement or private fund offering materials that contain further information on how we charge and collect fees and expenses that are charged to a separate account or private fund.

Separate Account Fees and Expenses:

Representative fees payable to us for separate accounts that follow our Private Real Estate Strategy may include a combination of one or more of the following:

- Acquisition fee: 0.25% - 0.5% of investment capitalization (equity plus leverage);
- Management fee: 0.7% - 0.9% annually of invested capital; alternatively, fees may be based on a percentage of operating cash distributions from property investments, net asset value of account investments, or third-party lender financing;
- Performance fee: 8% - 20% of net profit, if any, and may be subject to an agreed-upon rate of return threshold, subject to the return on the entire vehicle being above an agreed upon threshold (portfolio level test). Performance thresholds can be based on nominal or real (inflation-adjusted) return targets, or benchmark returns such as the NCREIF Property Index, NFI-ODCE Index, or other comparable commercial real estate index.

The NCREIF Property Index is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only.

Typically, acquisition, management fees, and performance fees are agreed to at the inception of the client account and are based, in part, upon the amount of client capital committed to the separate account. Management fees are billed quarterly in arrears. Acquisition and performance fees are billed other than quarterly, including performance fees that are billed annually.

Separate account clients also incur expenses at the account level including audit and tax preparation fees. These expenses may be paid directly by the separate account or be reimbursed to the Firm. In addition, the Firm may be reimbursed for travel and other direct costs from property investment entities. *Please see Item 10 for more information on expenses that may be paid by a separate account or its investee entities to affiliated service providers.*

Private Fund Fees and Expenses:

Private funds that follow the Private Real Estate Strategy typically pay the following fees to us and/or our affiliate:

- Acquisition fee: None
- Management fee: 1.5% annually based on size of total commitment. During the private funds' investment period, fees may be based on capital committed or invested capital less any applicable reductions, including reductions for early close investors. After the investment period, the investment management fee is calculated solely on the amount of each Limited Partner's funded commitments, reduced by capital contributions in respect of investments that have been disposed.
- Performance fee: 20% of net realized profit (total distributions less capital invested) following a full return of capital plus a preferred return. Typically, our private funds are structured as limited partnerships. The general partner, an affiliate of the Firm, is entitled to a performance fee ("carried interest") which includes a "catch-up" provision. Once all partners have received a full return of capital plus the preferred return, the general partner receives 50% of subsequent distributions until the general partner has received 20% of all distributions to date (excluding return of capital). Thereafter, the general partner receives 20% of all distributions. Since all limited partner capital must be returned prior to the general partner receiving any carried interest, hold-backs, claw-backs, and reserves are generally not applicable unless otherwise stated in the respective private fund's offering materials.

Fees are paid by the respective private fund quarterly in advance and are deducted from the capital account balances of the underlying investors/limited partners. Such investors are also charged an allocable share of fund operating expenses ("Operating Expenses"). Operating Expenses generally include all third-party costs and expenses of maintaining the operations of the fund and maintaining, acquiring, financing, and disposing of investments of the fund. We will be reimbursed by the respective fund for any Operating Expenses the Firm pays on behalf of a fund.

Therefore, typical Operating Expenses include legal, tax compliance and advisory, audit, insurance, interest expense, costs incurred with respect to pursuing possible investments including travel, and other administrative fees as permitted by the respective fund.

Funds are also responsible for out-of-pocket expenses incurred in connection with the organization and formation ("Organizational Expenses") of the fund and related entities. We will be reimbursed by the respective fund for Organizational Expenses paid on behalf of a fund. A maximum dollar level of Organizational Expenses may be imposed by a fund pursuant to its offering materials.

Refer to a fund's offering materials and limited partnership agreement for a more detailed description of management and performance fees, Operating Expenses and Organizational Expenses. *Please see Item 10 for more information on fund expenses that may be paid by a private fund or its investee entities to affiliated service providers.*

We are responsible for paying commissions, placement fees, or other fees that may be incurred in connection with the offering and/or sale of interests in a fund. A private fund is not responsible for, and will not pay, such charges.

Any separately negotiated fee arrangements are subject to a written letter agreement ("Side letters"). Such arrangements may cause some clients or groups of clients to pay fees that are different from the basic fee schedules disclosed in private fund offering materials. We or our affiliates may offer management fee discounts, including fee reductions for existing investors. *Please see the applicable private fund's offering materials for further information regarding fees. Please also see Item 6 below for more information on our performance fees and related conflicts.*

We reserve the right, in our sole discretion, to negotiate or modify (either up or down) the basic fee schedules set forth above for any client due to a variety of factors, including but not limited to: the level of reporting and administrative operations required to service an account, the investment strategy or style, the number of portfolios or accounts involved, and/or the number and types of services provided to the client. Because our fees are negotiable, the actual fee paid by any client or group of clients may be different from the fees reflected in our basic fee schedule set forth above.

Item 6. Performance Fees and Side-by-Side Management

Our performance based fee arrangements and our side-by-side management activities entail inherent conflicts in such arrangements.

Our Private Real Estate Strategy separate account clients may pay a performance fee based on a percentage of net operating income and/or investment gains, and certain performance fee arrangements require achievement of investment gains over an agreed-upon rate of return threshold. *Please see Item 5 of this Brochure for more information on our performance fees.* The performance fee may be further subject to the return on the entire client account above an agreed upon threshold (portfolio-level test). Such thresholds vary between accounts and may be based on nominal or real (inflation-adjusted) return targets, or benchmark returns such as the NCREIF Property Index, NFI-ODCE Index, or other comparable commercial real estate index.

Underlying investors in any of the private funds that we manage should also refer to their offering materials and fund agreement for specific terms relating to carried interest to be earned by the sponsor and general partner of the Fund.

Performance-based fee arrangements may be charged only to “qualified clients”, in accordance with Rule 205-3 under the Advisers Act.

“Side-by-side management” refers to our simultaneous management of multiple types of client accounts/investment products. For example, we manage separate accounts and pooled investment vehicles (including, but not limited to, private funds) at the same time. Our clients have a variety of investment objectives, policies, strategies, limitations and restrictions. Our affiliates likewise may manage a variety of pooled investment vehicles. *Please see Item 10 for more information on our affiliated investment advisers. In addition, please see Item 8 relating to our Private Real Estate Strategy and presentation of investment opportunities to clients and funds.*

Side-by-side management gives rise to a variety of potential and actual conflicts of interest for us, our employees, and our supervised persons. Below we discuss the conflicts that we and our employees and supervised persons may face when engaging in side-by-side management and how we deal with them.

Note that we manage our accounts consistent with applicable law, and we follow procedures that are reasonably designed to treat our clients fairly and equitably and to prevent any client or group of clients from being systematically favored or disadvantaged.

Conflicts of Interest Relating to Accounts with Different Strategies

During the normal course of managing assets for multiple clients of varying types and asset levels, including our Public Real Estate Strategy, our portfolio managers (“Portfolio Managers”) may encounter conflicts of interest. Management of multiple funds and accounts with varying strategies may create potential conflicts of interest relating to the allocation of investment opportunities, and the aggregation and allocation of client trades. *Please see Item 12 of this Brochure for more information on our brokerage practices.*

In addition, we and our affiliates manage numerous accounts with a variety of strategies, which may present conflicts of interest. *Please see Item 10 for further information about such conflicts. If you would like more information on conflicts and brokerage practices related to our Public Real Estate Strategy, please see the separate Form ADV Part 2A which can be viewed at the SEC's website at www.adviserinfo.sec.gov.*

Conflicts of Managing Multiple Accounts

During the normal course of managing assets for multiple clients of varying types and asset levels, we may encounter conflicts of interest. Management of multiple funds and accounts creates potential conflicts of interest relating to the allocation of investment opportunities. Additionally, we manage client accounts with varying fee structures. We and our assigned investment professionals oversee the investment of various types of accounts such as separate accounts and pooled investment vehicles. It is our policy that investment decisions for client accounts are made based on a consideration of respective investment objectives and policies and that opportunities are fairly allocated among clients. Investment decisions including the acquisition and disposition of property investments and allocation to client accounts are controlled by our Private Real Estate Investment Committee. We have no obligation to purchase or sell for a client any security or other property which we purchase or sell for our own account or for the account of any other client. We may give advice or take action in the performance of our duties with respect to any of our clients which may differ from the advice given, or the timing or nature of action taken by our affiliates on behalf of their clients. *Please see Items 8 and 13 of this Brochure for more information on the investment allocation and investment approval process.*

Conflicts of Interest Relating to Performance Based Fees When Engaging in Side-by-Side Management

We manage accounts that are charged a performance-based fee and other accounts that are charged a different type of fee, such as a flat asset-based fee. We have a financial incentive to favor accounts with performance-based fees because we (and our employees and supervised persons) may have an opportunity to earn greater fees on such accounts as compared to client accounts without performance-based fees. Thus, we have an incentive to direct our best investment ideas to client accounts that pay performance-based fees, and to allocate investment opportunities in favor of such accounts. We also have an incentive to give accounts with performance-based fees better execution. *Please see Items 8 and 13 of this Brochure for more information on the investment allocation and approval process.*

Conflicts of Interest Relating to "Proprietary Accounts"

We, our affiliates, and our existing and future employees may from time to time manage and/or invest in products managed by us ("Proprietary Accounts"). Proprietary Accounts include funds for which we may serve as the sponsor. Our employees or affiliates may invest in the funds, typically through the general partner entity. Investment by us, our affiliates, or our employees in Proprietary Accounts create conflicts of interest. We have an incentive to favor these Proprietary Accounts by, for example, directing our best investment ideas to these accounts or allocating investment opportunities in favor of such accounts, to the disadvantage of other accounts.

We also have an incentive to dedicate more time and attention to Proprietary Accounts and to give them better execution than our other client accounts. *Please see Items 8 and 13 of this Brochure for more information on the investment allocation and investment approval process.*

Other Conflicts of Interest

The General Counsel and Deputy General Counsel of CenterSquare are the owners of a law firm that provides legal services to our separate account clients and funds and underlying joint venture real estate investments. We have no economic ownership of the law firm. The General Counsel and/or the Deputy General Counsel may be incentivized to generate additional work for the law firm. The use of the affiliated law firm is disclosed in client and private fund audited financial statements and the affiliation is disclosed in private fund offering materials. The General Counsel and/or the Deputy General Counsel also may maintain an ownership interest in private funds sponsored and managed by us. The General Counsel and Deputy General Counsel of CenterSquare also maintain an ownership interest in CSME.

Please see Item 10 of this Brochure for more information on other financial industry activities and affiliations.

Item 7. Types of Clients

Types of Clients

We provide advisory services to clients and investors such as high net worth individuals, proprietary accounts, banks or thrift institutions, corporate pension and profit sharing plans, public/governmental pension plans, Taft-Hartley plans, trusts, charitable institutions, foundations, endowments, other non-US regulated funds, and other U.S. institutions.

Account Requirements

We require separate account clients to execute a written investment management agreement with us, granting us authority to manage their assets. Generally, separate accounts are subject to minimum account sizes which vary depending upon the strategy of the account. Generally, the minimum account size for a separate account is \$100 million. The Firm has the right to waive the minimum account size requirements.

Investments in our private funds that we manage are generally subject to a minimum investment requirement of \$5 million. The general partner of a fund has the discretion to waive or reduce the minimum initial investment or commitment. Please refer to the offering documents of such funds for more information.

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

Private Real Estate Strategy

We invest client assets in investments in value-added real estate. CenterSquare and its respective operating partners (see below) seek to add value to properties by stabilizing, enhancing and/or creating a property's income stream while improving its appearance, overall physical condition and position in the marketplace. We oversee the implementation and execution of property business plans spanning the full range of the value-added spectrum, including one or more of the following:

- Building renovation, expansion and/or redevelopment
- Lease-up of vacant space
- Aggressively increasing rental rates to market levels
- Property repositioning and turnaround
- Subdivision, rezoning and sale of excess land
- Development of additional building(s) on excess land

The universe of real estate investments that is employed varies by each client's objectives and market cycles and conditions. We invest in value-added real estate solely through private closed-end funds.

We typically invest in office, industrial, retail, multi-family, and hospitality property assets. We may also acquire performing and non-performing debt, secured by these property types, as well as structuring an investment as participating debt or preferred equity. We may also take advantage of opportunities in other property types, such as land or parking.

Our strategy is designed to anticipate market turning points in order to overweight or underweight property types and geographic regions. The selection of property types and geographic regions is supported by the Firm's top-down economic and capital markets forecasts. We incorporate research on private and public capital markets, national and regional economic trends and regional real estate submarkets into analysis and decision making throughout all stages of the property investment lifecycle, including acquisition, financing, leasing and disposition.

Investment opportunities are sourced from various channels including the real estate brokerage community and our extensive network of operating partners. The Firm has relationships with local operating partners that have intimate knowledge of investment opportunities based on their particular market and property expertise.

CenterSquare and an operating partner with local market and property expertise will typically establish special purpose investment vehicles to acquire and hold property investments. These special purpose investment vehicles are generally formed as partnerships or limited liability companies. A private fund or separate account client will typically provide 80%-95% of the required equity for an investment, with the operating partner investing 5%-20% of the required equity to secure its commitment to the success of the venture and create an alignment of interests.

Distributions of net cash flows from operations are generally be made in accordance with the respective partnership or limited liability agreement which provides for a preferred return distribution to its partners and excess cash flow is distributed in accordance with ownership interests. Distributions of net proceeds from a capital transaction are generally distributed in the following priority: (a) unpaid preferred returns to partners' on a pro-rata basis, (b) unreturned capital contributions on a pro-rata basis, and (c) residual distribution percentage interests based on achievement of stated IRR hurdles. Residual distributions result in higher residual profits to the operating partner than what would have otherwise been allocated to the operating partner based on its stated ownership interest.

The operating partners typically provide day-to-day on-site property management services and in some cases may serve as leasing agent. The Firm manages diversification across operating partner relationships to fit current target investment markets and property sectors.

We also invest through other investment vehicles including participating mortgages and mezzanine loans.

In addition to value-added real estate, we also invest in core/core-plus real estate. Core real estate is high quality real estate, with low vacancy rates, and located in primary and select secondary real estate markets. Core plus is also high-quality real estate with the opportunity to increase returns by upgrading the property through additional capital or leasing of vacant space. Investment opportunities for core/core-plus real estate investments are presented to separate account clients, on a rotational basis, that have expressed an interest in new acquisitions.

We have a formal due diligence process for evaluation of an investment in a specific property. The due diligence process includes, but is not limited to, the following:

- Tenant interviews
- Detailed review of tenant leases
- Detailed analysis of income and expenses
- Review for environmental issues
- Review of physical property
- Evaluation of operating partner

The decision to acquire or sell an investment requires approval by our Private Real Estate Investment Committee. *Refer to Item 13 for the role of the Investment Committee.*

Material Risks

The table below and section that follows sets forth information concerning the material risks involved with our Private Real Estate strategy. An "X" in the table indicates that the strategy involves the corresponding risk. An empty box indicates that the strategy does not involve the corresponding risk in a material way. **However, an empty box does not guarantee that the strategy will not be subject to the corresponding risk.**

The risks set forth below represent a general summary of the material risks involved in the investment strategy we offer. The “Risk Factors” section of applicable fund offering documents may provide a more detailed discussion of the risks involved in any investment in a private fund.

Risk Type	Private Real Estate
General risks	X
Concentration risk	X
Counterparty risk	X
Cybersecurity risk	X
Development risk	X
Environmental risk	X
Insurance risk	X
Liquidity risk	X
Market risk	X
Partnership and joint venture risk	X
Real estate risks	X
Real estate financing risks	X
Tax risks	X
Valuation risk	X

General risks. The investment strategies we offer invest in a variety of real estate investments and employ a number of techniques that involve certain risks. Investing in real estate involves risk of loss that you should be prepared to bear. We do not guarantee or represent that our investment program will be successful. We cannot assure you that our investments of your money will be profitable, and in fact, you could incur substantial losses. Your investments managed by us are not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Concentration risk. While diversification is an objective for client accounts, there is no assurance as to the degree of diversification that may actually be achieved either by geographic region or property type. A client account may participate in a limited number of investments and, as a consequence, the aggregate return may be substantially adversely affected by the unfavorable performance of even a single investment.

If a client portfolio makes an investment in a single transaction with the intent of refinancing or selling a portion of the investment, there is a risk that we will be unable to successfully complete such a financing or sale. This could lead to increased risk as a result of the client account having an unintended long-term investment and reduced diversification.

Counterparty risk. Property investments may be financed and are subject to the risk of the inability of lenders to perform with respect to loan or derivative transactions, whether due to insolvency, bankruptcy or other causes, which could subject a client account to substantial losses. In an effort to mitigate such risks, we and the ownership entities of property investments attempt to limit transactions to counterparties, which are established, well-capitalized, and creditworthy.

Cybersecurity risk. In addition to the risks described above that primarily relate to the value of investments, there are various operational, systems, information security and related risks involved in investing, including but not limited to “cybersecurity” risk. Cybersecurity attacks include electronic and non-electronic attacks that include, but are not limited to, gaining unauthorized access to digital systems to obtain client and financial information, compromising the integrity of systems and client data (e.g., misappropriation of assets or sensitive information), or causing operational disruption through taking systems off-line (e.g., denial of service attacks). As the use of technology has become more prevalent, we and the client accounts we manage have become potentially more susceptible to operational risks through cybersecurity attacks. These attacks in turn could cause us and client accounts (including funds) we manage to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Similar adverse consequences could result from cybersecurity incidents affecting issuers of securities in which we invest, counterparties with which we engage in transactions, third-party service providers (e.g., a client account’s custodian), governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers and other financial institutions and other parties. While cybersecurity risk management systems and business continuity plans have been developed and are designed to reduce the risks associated with these attacks, there are inherent limitations in any cybersecurity risk management system or business continuity plan, including the possibility that certain risks have not been identified. Accordingly, there is no guarantee that such efforts will succeed, especially since we do not directly control the cybersecurity systems of issuers or third-party service providers.

Development risk. We acquire, redevelop and develop properties on behalf of client accounts. There can be no assurance that we will undertake to acquire, redevelop or develop any particular site or that we will be able to complete such acquisition, redevelopment or development if it is undertaken. Risks associated with our acquisition, redevelopment and development activities include the following:

- Acquisition, redevelopment and development opportunities explored by us may be abandoned and, as a result, we may fail to recover expenses already incurred in connection with exploring such opportunities;
- Acquisition, redevelopment and development costs for a property, including, without limitation, materials, labor or other expenses, may exceed original estimates, possibly making the property uneconomical;

- Zoning, land use, building, occupancy and other required governmental permits and authorizations may be difficult or impossible to obtain, leading to delays in and / or abandonment of all or a portion of the acquisition, redevelopment or development of a property;
- Construction and lease up may not be completed on schedule, resulting in increased debt service and redevelopment or development costs;
- Leasing costs and tenant improvement costs may exceed expectations and, therefore, adversely affect the operating performance of a property; and
- Construction and permanent financing may not be available on favorable terms.

The occurrence of any of the events described above could result in meaningful unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could adversely affect our ability to achieve its projected yields on properties under redevelopment or development. Properties under development or properties acquired for development may distribute little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development that makes such development less attractive than at the time it was commenced.

Environmental risk. As is the case with any holder of real estate investments, a client account could face meaningful risk of loss from environmental claims based on environmental problems associated with property investments. Property owners are subject to potential liabilities under various federal, state and local laws, ordinances and regulations as well as common law principles (collectively, “Environmental Laws”). Among other things, certain Environmental Laws provide that an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property and subject the owner or operator of real property or a facility to claims or liability for the costs of removal or remediation of hazardous substances that are released at, in, on, under, or from real property or a facility. The cost of any required remediation and the owner’s liability therefore as to any property are generally not limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner.

Insurance Risk. We and the respective ownership entities of property investments to be held in client accounts maintain comprehensive insurance on each property investment, including general liability, fire, extended coverage and rental loss insurance. We have insurance coverage of the type and amount customarily obtained by owners of similar properties. There are certain types of losses, however, generally of a catastrophic nature, including, without limitation, wars, natural disasters, mold, terrorist attacks and other similar events, that may be uninsurable or insurable only at such high rates that to maintain such coverage would cause an adverse impact on property investments. In general, losses related to terrorism are becoming harder and more expensive to insure against. Most 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 property investments may be insured against terrorism. Inflation, changes in building codes and ordinances, environmental considerations and other factors may also make it infeasible to use insurance proceeds to replace a property if it is damaged or destroyed.

Under such circumstances, the insurance proceeds received might not be adequate to restore its economic position with respect to the affected property. If a major uninsured loss occurs, the client could lose both invested capital in and anticipated profits from the affected property investment.

Liquidity Risk. The investments made by us are likely to be illiquid based on the nature of investments in real estate property. Dispositions of such investments also may be subject to limitations on transfer or other restrictions that would interfere with the subsequent sale of such investments or adversely affect the terms that could be obtained upon any disposition thereof. There is also the risk that we may be unable to dispose of such investments at attractive prices or otherwise execute a successful exit strategy. Real estate can be difficult to sell, especially if local market conditions are poor. Such illiquidity may limit our ability to vary holdings in client portfolios promptly in response to changes in economic or other conditions and limit near term cash flow available for distribution to its investors. No assurances can be given that the fair market value of any of the investments acquired by us will not decrease during the investment holding period.

Market risk. The market value of an investment may decline due to general market conditions that are not specifically related to a particular investment, such as real or perceived adverse economic conditions, changes in the outlook for corporate earnings, changes in interest rates or adverse investor sentiment generally. An investment's value may also decline because of factors that affect a particular industry.

Because we concentrate our assets in the real estate industry, investments are closely linked to the performance of the real estate markets. Real estate is a cyclical business, highly sensitive to general and local economic developments and characterized by intense competition and periodic overbuilding. Real estate income and values may also be greatly affected by demographic trends, such as population shifts or changing tastes and values. Government actions, such as tax increases (or other changes as implemented pursuant to a comprehensive tax reform bill passed by the U.S. Congress in December 2017), zoning law changes or environmental regulations, may also have a major impact on real estate.

Partnership and joint venture risk. We may invest client funds as a partner or a coventurer with respect to investment in a property. Partnership or joint venture investments may involve risks including the possibility that the partner or coventurer might become bankrupt or otherwise have financial difficulties that negatively impact a property investment including the ability to consummate an investment. The partner or coventurer may also have economic or other business interests or goals that are inconsistent with the business interests or goals of the client and us. A partner or coventurer may also be in a position to take action contrary to the instructions or the requests by us or contrary to our policies or objectives.

Real Estate risks. Real property investments are subject to varying degrees of risk. 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 yields available from equity investments in real estate depend on the amount of income generated and expenses incurred from such investments. Moreover, certain significant expenditures associated with each investment in real estate (such as mortgage payments, if any, real estate taxes, insurance and maintenance costs) are generally not reduced when circumstances cause a reduction in income from the investment.

If property investments do not generate revenues sufficient to meet operating expenses, including debt service and capital expenditures, the client account's cash flow and ability to received distributions may be adversely affected. A property's revenues and value may be adversely affected by a number of factors beyond the control of the client or the Firm, including:

- the national and local economic climate;
- changes in supply of and demand for competing properties in an area (as a result, for instance, of overbuilding);
- changes in real property tax rates, changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable;
- the financial resources of tenants;
- changes in building, environmental and other laws or changes in government regulations (such as rent control);
- contingent liabilities on disposition of assets;
- the perceptions of prospective residents of the safety, convenience and attractiveness of the properties or neighborhoods in which they are located and the quality of local schools and other amenities; and/or
- the ability of the operating partner and property management company to provide adequate management, maintenance and insurance

Real Estate financing risks. We may leverage property investments with non-recourse debt financing. We may also obtain recourse debt financing in select situations such as a completion guarantee for development projects or when market conditions make non-recourse debt unavailable. Although the use of leverage may enhance returns and increase the number of investments that can be made, it may also substantially increase the risk of loss. Additionally, use of leverage on any particular investment will increase the exposure of such investment to adverse economic factors such as rising interest rates, severe economic downturns or deterioration in the condition of the real estate investment or its market.

In the event a real estate investment is unable to generate sufficient cash flow to meet its principal and interest payments on its indebtedness, the value of the client's equity investment in such real estate investment could be significantly reduced or even eliminated.

If a property investment cannot satisfy its obligations under the debt instruments, then the unpaid amounts likely will promptly become due and, thus, the client may be required to forfeit the property or properties. Forfeiture of a property upon an event of default under a debt instrument will likely decrease the proceeds from the sale of a property upon foreclosure, thereby decreasing the client's return on such investment.

Tax risks. We use our best efforts to structure investments so as to minimize the risk of realization of unrelated business taxable income ("UBTI") by tax-exempt investors. In this regard, we may utilize one or more real estate investment trusts ("REITs") or other investment structures in the client's investment program. No assurance can be given, however, that investments will not give rise to UBTI for any tax-exempt investor.

We may utilize one or more REITs in a client investment program. A REIT is generally not subject to federal income tax to the extent that it distributes its income to its shareholders. To qualify as a REIT, a company must meet certain requirements which are technical and complex and depend on various factual matters and circumstances that may not be entirely in our control. If a REIT does not qualify as a REIT for federal income tax purposes, it would be subject to income tax at regular corporate rates. REITs are subject to the possibility of failing to qualify for tax-free pass-through of income under the Internal Revenue Code and maintaining exemption from the registration requirements of the Investment Company Act of 1940. Certain REITs provide for a specified term of existence in their trust documents. Such REITs run the risk of liquidating at an economically disadvantageous time.

Valuation risk. The market value of real estate investments to be held by client accounts may generally fluctuate with, among other things, general economic conditions, world political events, developments or trends in any particular investment, and the conditions of financial markets. Most of client investments are investments for which there is no, or limited, liquid market. The fair value of such investments may not be readily determinable. We will value these investments periodically at fair value as determined by us in accordance with the client agreement or fund governing document, as applicable. The valuations used by us for a substantial portion of client investments may therefore not reflect the most recently available market information. The types of factors that may be considered in fair value pricing of investments include discounted cash flows, prevailing market conditions with respect to the location of the property investment, similar property sales, and other relevant factors. Because such valuations are inherently uncertain, they may fluctuate over short periods of time and may be based on estimates, our determination of fair value may differ materially from the actual results obtainable in an arm's length sale of such investments to a third party. A client account's financial condition and results of operations could be adversely affected if fair value determinations were materially higher than the values that the client account ultimately realizes upon the realization of such investments.

Item 9. Disciplinary Information

At this time, we are not aware of any regulatory matters or litigation involving our Firm.

Item 10. Other Financial Industry Activities and Affiliations

Funds managed by a subsidiary of Lovell Minnick Partners LLC (“Lovell”), a private equity firm and an investment adviser registered with the SEC pursuant to the Advisers Act, together have an ownership interest (through CenterSquare Holdings) in CenterSquare. Lovell (through its affiliation and management of its Funds) has the right to appoint two members to the Board of Directors (“Directors”) of CenterSquare Holdings, along with an external Director, but does not otherwise control the day-to-day business or operations of CenterSquare, subject only to any approval rights of the Directors.

Lovell and/or its affiliates may gather data from us about our business operations, including information about holdings within client portfolios, which is either required for regulatory purposes or for other compliance, financial, legal or risk management purposes, pursuant to our policies and procedures. This data is deemed confidential and procedures are followed to ensure that any information is utilized solely for the purposes intended.

Affiliated Solicitors and Placement Agents

We do not currently use placement agents. If we do utilize placement agents in the future, including affiliated placement agents, the payment of these commissions and fees will not be borne by the private fund or private fund investors. Financial incentives may cause a placement agent and their employees and/or salespersons to steer investors toward a private fund that will generate higher commissions and fees.

Please see our discussion of affiliated broker-dealers in this Item 10.

Affiliated Private Funds and Sponsors

We may act as investment adviser to a private fund whereby an affiliated entity of CenterSquare is the sponsor and general partner of the private fund. The affiliated general partner of the private fund as well as the related conflicts of interest will be disclosed to underlying investors before they invest. Management persons of the affiliated general partner may have conflicts of interest in allocating their time and service among such fund and other clients of ours. The private fund’s offering materials should be reviewed for further information regarding such conflicts.

Affiliated Broker-Dealers, Investment Advisers and Service Providers

Certain employees of CenterSquare are registered representatives of Foreside Fund Services, LLC (“Foreside”), an affiliated broker-dealer and Financial Industry Regulatory Authority, Inc. (“FINRA”) member. There is a formal agreement in place between us and Foreside for holding these employees’ registrations with FINRA. CenterSquare pays Foreside a fee for holding these registrations with FINRA. In their capacity as registered representatives of Foreside, these employees sell and provide services regarding private funds managed by us. CenterSquare does not execute any client transactions with Foreside and Foreside does not receive compensation for sale of interests in any private fund managed by CenterSquare. In addition, CenterSquare has entered into a service agreement with a Foreside affiliate to provide compliance consulting services to CenterSquare. *Also refer to Part 2A for our Public Securities Strategy.*

CenterSquare and Foreside are under the common control of Lovell, so while CenterSquare may not receive any additional compensation from this relationship, Lovell may benefit from such arrangements. To help control for this conflict of interest, agreements are negotiated on an arms-length basis with Foreside and its affiliates and CenterSquare will pay fees directly to Foreside for these services and our clients and will not be charged.

Through our relationship with Lovell, we are affiliated with certain advisers and broker-dealers. *Please see our Form ADV, Part 1A - Schedule D, Section 7.A for a list of certain affiliates.*

Given the type of assets we buy and sell on behalf of our clients, we do not use affiliated broker-dealers to make investments. If in the future we were to need such services for client accounts, we may use either an affiliated or unaffiliated broker-dealer or adviser (unless otherwise restricted by an agreement, law or regulation). In such cases, we may have an incentive to enter into transactions with an affiliated broker-dealer, in an effort to direct more commission dollars to its affiliate.

The General Counsel and Deputy General Counsel of CenterSquare are the owners of a law firm that provides legal services to our separate account clients and private funds and underlying joint venture real estate investments. We have no economic ownership of the law firm. The General Counsel and/or Deputy General Counsel may be incentivized to generate additional work for the law firm. The use of the affiliated law firm is disclosed in client and private fund audited financial statements and in private fund offering materials. The General Counsel and/or Deputy General Counsel may also maintain an ownership interest in private funds sponsored and ultimately managed by us. The General Counsel and Deputy General Counsel also maintain an ownership interest in CSME.

Other Relationships

Our employees and Directors may have board, advisory, or other relationships with issuers, distributors, consultants and others that may have investments in a private fund and/or related funds or that may recommend investments in a private fund or distribute interests in a private fund.

To the extent permitted by applicable law, the Firm and its personnel, and our affiliates, may make charitable contributions to institutions, including those that have relationships with investors or personnel of investors. As a result of the relationships and arrangements described in this paragraph, placement agents, consultants, distributors and other parties may have conflicts associated with their promotion of a private fund, or other dealings with a private fund, that create incentives for them to promote a private fund.

We have adopted a Code of Ethics that addresses these types of relationships and the potential conflicts of interest they may present, including the provision and receipt of gifts and entertainment.

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

CenterSquare has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Advisers Act. The Code is designed for the purpose of providing rules for certain personnel, including employees (generally, “Employees”), with respect to adherence to certain standards of conduct along with abiding by policies regarding personal securities transactions.

The Code requires Employees to exercise their authority and responsibility for the benefit of clients and to refrain from activities that may conflict with the interests of clients. The Code contains policies and procedures that, among other things:

- Prohibit trading on the basis of material non-public information;
- Prohibit Employees from taking personal advantage of opportunities belonging to clients;
- Place limitations on personal trading by Employees and impose preclearance and quarterly and annual reporting obligations with respect to such trading;
- Impose standards of business conduct for all Employees;
- Require the distribution of the Code (and any amendments) to Employees and requires Employees to provide a written acknowledgment of their receipt thereof;
- Require the reporting and review of Employees’ personal securities transactions;
- Require Employees to report violations of the Code to our Chief Compliance Officer; and
- Require Employees to comply with federal securities laws.

In addition, the Code outlines many common types of conflicts and procedures to be followed by CenterSquare Employees including:

- Gifts and Entertainment;
- Political Contributions; and
- Outside Employment or Business Activities

CenterSquare’s Chief Compliance Officer monitors compliance with these and all other aspects of the Code. The Chief Compliance Officer will also determine the applicability of the Code to non-Employees including temporary employees, contractors, Directors, and consultants.

It is not expected that our accounts and the accounts under the Public Securities Strategy would be trading in the same securities at the same time, but we have implemented review procedures to track the accounts, and shall address any potential conflicts of interests that might arise from the foregoing situation.

A copy of our Code of Ethics is available upon request.

Interests in Client Transactions:

Note that while the following types of transactions present conflicts of interest for us, as described below, we will manage our accounts consistent with applicable law, and we will follow procedures that are reasonably designed to treat our clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged.

We do not expect to directly invest in real estate related investments that we also recommend and/or invest on behalf of client accounts or funds. However, CenterSquare, existing and future employees, Directors, and our affiliates and their employees may invest in real estate related investments that it also recommends and/or invests in for its private funds and/or separately managed accounts. We have developed policies and procedures to address any conflicts of interest created by such investment. We do permit our employees to invest for their own account within the guidelines and restrictions of the Code of Ethics, as described above. Certain employees and affiliates of ours may maintain ownership interests in private funds sponsored by us. When we hold the same investments as a client or private fund, we could be viewed as having a potential conflict of interest.

Further, we may provide investment advice relating to real estate investments that we also recommend to clients. In order to mitigate certain conflicts of interest, fees received by us in connection with such advice may be reimbursed to the relevant client or private fund, as may be stated in a client's investment management agreement or fund limited partnership agreement, as applicable.

"Principal transactions" are generally defined pursuant to Section 206 of the Advisers Act as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys any security from or sells any security to any client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated pooled investment vehicle and another client account.

It is our policy that neither we nor any of our officers or directors shall, as principal, buy securities for itself from or sell securities it owns to any client.

We generally do not (i) engage in "principal transactions" with our clients; (ii) cause principal transactions to be effected between our affiliates and our clients; (iii) effect agency cross transactions; or (iv) engage in cross trades. If we were to consider engaging in any such transactions, our Chief Compliance Officer would review such potential transactions to assure that it achieves best execution and is priced fairly, that participating accounts are not disadvantaged by it and whether a client account can engage in such a transaction. Principal transactions and agency cross transactions will only be permitted if consent has been obtained in accordance with the requirements of the Advisers Act and the rules and regulations adopted thereunder.

Item 12. Brokerage Practices

As an investment adviser for real estate investments in our Private Real Estate Strategy, we will seek to invest client funds in real estate property throughout the United States. Investment opportunities are sourced from various channels including real estate commercial brokers and our network of operating partners. Unaffiliated brokers and operating partners are selected on an individual investment basis.

Upon approval by the Private Real Estate Investment Committee (the “Committee”) of a sale of a private real estate investment, we will obtain broker opinions of value from multiple brokerage firms. We may also solicit and retain a mortgage broker relating to financing of investment level property debt. Brokerage costs are paid by the respective investment entity.

The selection of a brokerage firm is based on a number of factors, including but not limited to, execution ability, track record, product expertise, conflicts of interest, and the commissions to be paid. The selected broker may not be the lowest available in terms of commission.

We do not engage in the practice of obtaining research and/or other services from third party service providers in exchange for client-based brokerage credits (known as “soft dollars”). Furthermore, we do not direct brokerage or consider, in selecting or recommending brokers, whether we or any of our “related persons” (as defined for purposes of Form ADV) receives client referrals from a broker or third party.

For a discussion of our Public Securities Strategy brokerage practices please see the separate Form ADV Part 2 which can be viewed at the SEC’s website at www.adviserinfo.sec.gov.

Item 13. Review of Accounts

Accounts in our Private Real Estate Strategy are regularly monitored by assigned investment professionals. The Committee controls the implementation of our Private Real Estate Strategy. The Committee reviews real estate and capital markets conditions, identifies current market trends and opportunities, and monitors portfolio composition. Committee approval is required for the acquisition, sale, or financings of any property. The Committee is comprised of CenterSquare's senior executives and meets regularly as needed.

Clients receive written, monthly and/or quarterly reports reflecting investment value based on the performance of the underlying property investments. These reports generally include a portfolio overview, real estate holdings including current investment value, property business plan status updates, financial statements, and related performance results. Other reporting requirements, including the requirement for annual audited financial statements, are mutually agreed to with investors.

Client private equity real estate investment values are determined by us based on our valuation policy. Subject to any specific client requirements, we conduct internal valuations on each property investment twice per year and external property appraisals are typically performed at least once every two years. Our valuation committee (the "Valuation Committee") has established valuation standards, procedures and policies that we believe results in a consistent and uniform approach for reasonable and supportable fair market value estimates consistent with industry standards and generally accepted accounting principles including ASC Topic 820. The Valuation Committee meets on an ad-hoc basis as necessary to discuss and approve valuations. Valuations are generally determined based on a discounted cash flow ("DCF") analysis and/or direct capitalization analysis, and recent sales of comparable properties and current listings are also considered. Properties that are under agreement of sale may be valued based upon the contract sale price less an allowance for estimated closing costs. We will also adhere to any client imposed valuation processes, including approvals required by a client or its valuation committee.

Item 14. Client Referrals and Other Compensation

Unaffiliated Solicitors and Placement Agents

Although we currently do not use unaffiliated solicitors and placement agents, we may hire third parties to solicit new investment advisory clients. The commissions or fees, if any, payable to such solicitors (also referred to as placement agents) with respect to solicitation of investments with us will be paid solely by us. Clients will not pay fees for these solicitations. These solicitors have an incentive for the client to hire us because we will pay the solicitor for the referral. The prospect of receiving solicitation/placement fees may provide such placement agents and/or their salespersons with an incentive to favor these sales over the sale of other investments with respect to which the placement agent does not receive such compensation, or receives lower levels of compensation. In addition, to the extent permitted by law, certain placement agents and their respective affiliates may provide brokerage and certain other financial and securities services to us or our affiliates. Such services, if any, will be provided at competitive rates.

Affiliated Solicitors and Placement Agents

We may, in the future, pay referral fees to our affiliates for referrals that result in additional investment management business. *Please see the discussion of affiliated solicitors, placement agents and affiliated broker-dealers in Item 10, above.*

Item 15. Custody

Rule 206(4)-2 under the Advisers Act (the “Custody Rule”) defines “custody” to include a situation in which an adviser or a related person holds, directly or indirectly, client funds or securities or has any authority to obtain possession of them, in connection with advisory services provided by the adviser.

For purposes of the Custody Rule, we are deemed to have “custody” of certain client assets in our Private Real Estate Strategy because of the following:

- We, or an affiliate controlled by us, serve as general partner of private funds organized as limited partnerships;
- We maintain cash accounts with qualified custodians for specific real estate investments on behalf of client separate accounts;
- Certain officers of CenterSquare are officers of title holding companies formed on behalf of client investments for direct investment in real estate; and
- We have custody of privately offered securities for which we maintain client ownership agreements relating to private real estate investments made on behalf of client accounts.

Generally, an adviser that is deemed to have custody of a client’s funds or securities, among other things, is required to arrange for an annual independent verification of such funds or securities in accordance with the Custody Rule (the “Surprise Exam Requirement”). Accordingly, we are subject to the Surprise Exam Requirement, except for pooled investment vehicles as described below.

Advisers who are deemed to have custody of the assets of clients formed as pooled investment vehicles may comply with the rule if the pool has audited financial statements that are prepared in accordance with generally accepted accounting principles and such statements are distributed to investors in the pool within 120 days of the end of the fiscal year. Where we advise pooled investment vehicles, we intend to cause such pooled investment vehicles to receive and distribute audited financial statements to its investors. Accordingly, our private funds are audited annually and investors are provided with audited financial statements within 120 days of the end of the fund’s fiscal year.

A client will generally receive from its bank or other qualified custodian, an account statement, at least quarterly, identifying the amount of funds and each security in the account we manage at the end of the applicable period and setting forth all transactions in the account during that period. Clients should review these statements carefully. Clients may also receive account statements separately from us. Clients are strongly urged to compare the account statements received from us with those that are received from qualified custodians.

Item 16. Investment Discretion

We accept discretionary and non-discretionary investment authority over client assets. Non-discretionary authority generally relates to prior consent or approval required from a separate account client prior to investing in or disposing of an investment. Investment authority is documented in client contracts and/or through an appointment to become the investment adviser of a private fund. In all cases, investment authority is exercised in a manner consistent with the stated investment objectives and guidelines for the particular client account.

Clients must deliver their investment guidelines and restrictions to us in writing, and we adhere to such guidelines and restrictions when making investment decisions.

Item 17. Voting Client Securities

For our Private Real Estate Strategy, we select investments for clients and funds that do not issue voting securities. Accordingly, we do not receive proxies and are therefore not called upon to vote said proxies.

Item 18. Financial Information

In certain circumstances, registered investment advisers are required to provide you financial information or disclosures about their financial condition in this Item. We have no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.