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**This Brochure provides information about the qualifications and business practices of Rockwood Capital, LLC (the “Adviser,” “we,” “us” or “our”). If you have any questions about the contents of this Brochure, please contact us at 212-402-8500 or [requests@Rockwoodcap.com](mailto:requests@Rockwoodcap.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training.**

**Additional information about the Adviser is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Material Changes**

This section of our Brochure highlights and discusses changes to our Brochure since its last update on March 31, 2018, which either singularly or in the aggregate could be viewed as material.

Item 4, “Advisory Business,” has been modified to update the amount of client assets under management.

Item 5, “Fees and Compensation,” has been revised to reflect the launch of a new debt investment vehicle, update the Management Fee (as defined below) rate and to provide additional details with respect to certain fees and compensation.

Item 8, “Methods of Analysis, Investment Strategies and Risk of Loss” has been updated to modify, or provide additional details relating to, investment strategies, certain risks and potential conflicts of interest.

Item 11, “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” has been modified to disclose conflicts of interest in connection with borrowing on behalf of a Fund.

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## **Item 4 – Advisory Business**

### ***Generally***

The Adviser, a Delaware limited liability company, was organized in 2006. Certain principals and owners of the Adviser have been providing continuous investment advisory services to clients through a predecessor entity, Rockwood Capital Corporation (under the trade name “Rockwood”) since 1990. The Adviser is the manager of real estate funds, including pooled investment vehicles and “funds of one” (which we refer to as “separate accounts”).

### ***Principal Owners***

The principals and owners of the Adviser are its nine active and voting members: Walter P. Schmidt, David I. Becker, Robert L. Gray, Jr., Peter Kaye, Antonio Lariño, Tyson Skillings, David Streicher, Andrew Blanchard and Niraj Shah.

### ***Advisory Services***

The Adviser provides investment advisory services to pooled investment vehicles and separate accounts (each, a “Fund” and collectively, the “Funds”) with respect to real estate-related investments. The investment strategy of the Adviser is described in Item 8 and set forth more fully in the private placement memorandum (as supplemented or amended, the “Private Placement Memorandum”) and/or in the limited partnership or similar governing agreement of each Fund (each, a “Partnership Agreement”). The Adviser provides services to each Fund in accordance with the Partnership Agreement and, where applicable, the management agreement between the Adviser, the Fund and the general partner of such Fund (each, a “Management Agreement”). The Adviser’s sole clients are the Funds. The Adviser’s investment advisory services are limited to the types of services described in this Brochure, as supplemented by the Private Placement Memorandum and/or Partnership Agreement of each Fund.

The Adviser, together with the general partners of the Funds, operate as a single advisory business (collectively, “Rockwood”).

### ***Fund Structure***

The Funds are generally organized as Delaware limited partnerships. Each Fund is typically controlled by a general partner that is an affiliate of the Adviser and has investors that are limited partners of the Fund. The Adviser manages each Fund. The Adviser investigates, analyzes and structures potential investments for each Fund. The Adviser has the general authority to recommend investments to the Fund’s general partner and performs all of the Fund’s day-to-day investment and asset management functions, subject to the

limitations set forth in the Management Agreement and/or Partnership Agreement of such Fund. However, the management and the conduct of the activities of each Fund remain the ultimate responsibility of the Fund's general partner.

The general partners of certain Funds may establish feeder partnerships, alternative investment funds, blocker corporations, parallel funds, real estate investment trusts ("REITs"), group trusts or other similar investment vehicles to address the tax, regulatory or other concerns of certain prospective limited partners of the Funds. For certain Funds, the general partner may establish a "side car" co-investment vehicle for large investors (so-called side car partners) to co-invest with the Fund in certain large investments on such terms as are set forth in the Fund's Partnership Agreement and in the partnership agreement of the side-car co-investment vehicle. In addition, if the general partner of a Fund elects to make co-investment opportunities available to other limited partners or third-party co-investors, the general partner may establish a co-investment fund to facilitate such co-investment opportunities, the terms of which may differ from those of the applicable Fund. (See Item 11 below for additional information on the allocation of co-investment opportunities.) When we refer to limited partners and general partners in this Brochure, we are also referring to the equivalent investors and managers of such entities.

From time to time, for strategic or other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment from one or more Funds after such Funds have consummated the investment (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in the Adviser's sole discretion, the Adviser is authorized to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

Generally, the general partner of each Fund will form and maintain an investment committee comprised of senior real estate professionals who are members of the Fund's general partner (the "Investment Committee"). In general, the Investment Committee will make all major investment decisions for the applicable Fund, including decisions regarding the acquisition (or if issuance of debt, origination), financing and disposition of investments.

Notwithstanding the foregoing, the structure and organization of the Funds structured as separate accounts are individually negotiated and may vary.

### ***Investment Restrictions***

Generally, each Partnership Agreement contains investment restrictions. These restrictions may address, among other things, investments outside certain jurisdictions,

types of investments and the amount of leverage that may be incurred by the Fund. Where applicable, certain of these restrictions may be waived with the consent of the Fund's advisory committee, which consists of representatives of limited partners in the Fund who are not affiliated with the Adviser or the Fund's general partner (each, an "Advisory Committee"), or with the consent of the investor in the relevant separate account, as applicable.

### ***Management of Client Assets***

As of December 31, 2018, the Adviser managed \$7.0 billion of client assets on a discretionary basis and \$95.7 million on a nondiscretionary basis.

## **Item 5 – Fees and Compensation**

### ***Adviser Compensation***

Certain Funds pay the Adviser an annual management fee (the "Management Fee") in accordance with such Fund's Partnership Agreement and/or Management Agreement. The Management Fee is generally payable to the Adviser in quarterly installments in advance. The Management Fee paid by each Fund may be funded either (a) through a capital call requiring the limited partners in the Fund to make capital contributions to the Fund or (b) by deducting the amount of the Management Fee from distributable cash otherwise payable to the limited partners of the Fund, in each case in accordance with the Fund's Partnership Agreement. However, Management Fees are generally deducted from the assets of the Fund by the Fund's general partner. If a Management Agreement should terminate before the end of a billing period, the Adviser will remit to the Fund or such other person as the general partner of such Fund directs the *pro rata* portion of any fees held by the Adviser attributable to such period following the effective date of termination.

Funds structured as real estate funds generally pay Management Fees at a blended rate ranging from 1.1% to 1.4% based on the amount of each limited partner's capital commitment to such Fund (the "Blended Rate"). During the investment period, the Management Fee is generally calculated as a percentage of a limited partner's capital commitment. Thereafter, the Management Fee is generally calculated as a Blended Rate of the least of a limited partner's (i) capital commitment, (ii) *pro rata* share of the Portfolio Cost Basis (defined in the Management Agreement) and (iii) *pro rata* share of the Invested Amount (defined in the Management Agreement). Rockwood also advises two debt investment vehicles (Rockwood Income and Credit Partners I, L.P. ("RICP I") and Rockwood Income and Credit Partners II, L.P. ("RICP II") and collectively, the "Debt Vehicles"), which generally pay Management Fees at a rate ranging from 0.3% on the Invested Amount to 0.85% on the amount of each limited partner's capital commitment during the investment period, and thereafter, on such limited partner's *pro rata* share of the Invested Amount. Management Fees for Funds structured as separate accounts are individually negotiated pursuant to the terms of the applicable Partnership/Management

Agreement. Investors in side car vehicles generally pay Management Fees at a rate equal to 50% of their applicable Blended Rate on the lesser of such investor's (i) *pro rata* share of the Portfolio Cost Basis and (ii) *pro rata* share of the Invested Amount. Management Fees are subject to modification, waiver or reduction in certain limited circumstances in accordance with the terms of the applicable Fund's Partnership Agreement. In addition, the Adviser may provide Management Fee incentives and discounts (including early closer, anchor and repeat investors discounts) to investors in any of its Funds.

Each quarterly installment of the Management Fee calculated with respect to each limited partner is reduced by an amount equal to such limited partner's *pro rata* share of (x) any fees charged by any placement agent in connection with the marketing and sale of interests in the Fund paid (or due and payable) by the Fund (with the result being that placement fees are borne by the Adviser) and, for certain Funds, (y) Organizational Expenses (defined in "Additional Fees and Expenses" below) that exceed the threshold set forth in the respective Partnership Agreement.

RICP I pays the Adviser an acquisition fee in respect of each investment made by RICP I at a rate of 0.5% of the cost basis of such investment, provided that such acquisition fee is generally reduced by transaction or other fees received by the Adviser or any of its affiliates in connection with the consummation and holding of such investments. RICP II receives a certain percentage of the acquisition fee paid by a borrower to the Adviser, the general partner or any of their respective affiliates in connection with the origination or acquisition of such investment.

If, upon the disposition or repayment of any investment, the proceeds distributed to the limited partner of RICP II with respect to certain investments exceed certain annualized effective internal rate of return, RICP II pays the Adviser a success fee.

Other than as described above, neither the Adviser nor any of its affiliates intend to charge any break-up, transaction or similar fees in connection with Fund investments, and if any such fees are earned by the Adviser or any affiliate, such fees shall either be paid to the Fund or fully offset against future Management Fees or Acquisition Fees. See "Additional Fees and Expenses" below for a more detailed discussion of such fees and expenses.

Certain related persons of the Adviser also receive a "carried interest" (a form of performance-based compensation), as discussed in Item 6. Engagement by the Adviser of a financial intermediary, such as a broker-dealer, and any commissions paid in connection with Fund investments are discussed in Item 12.

### ***Additional Fees and Expenses***

Generally, the Adviser will bear the ordinary day-to-day expenses incidental to the administration of the Funds, except for any Operating Expenses (as defined below) or as



otherwise provided in the relevant Partnership Agreement, including (a) costs and expenses incurred by the Adviser that relate to its office space, facilities, utility services, supplies and necessary administrative and clerical functions and (b) compensation of all employees engaged in the Adviser's business (other than a proportionate share of certain of the expenses incurred by the Adviser in connection with the Adviser's employment of in-house counsel (compensation and overhead)).

Subject to the applicable Partnership Agreement, each Fund is generally responsible for fees, costs, expenses, liabilities and obligations relating to the Fund and/or its activities, business or actual or potential investments (collectively, "Operating Expenses"). Such Operating Expenses will include all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to developing (including costs and expenses of tenant and capital improvements) structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, engineering, leasing, servicing, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, subsidiaries and a Fund's actual and potential investments (including follow-on investments) and in connection with any REIT subsidiary (including fees, costs and expenses attributable to qualifying any REIT subsidiary as a REIT and maintaining such qualification), or in seeking to do any of the foregoing (including any environmental fees and expenses and any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third party diligence or payment processing software and service providers, consultants and similar professionals in connection therewith and any fees, expenses and/or compensation related to transactions that were or may have been offered to co-investors or pursued with joint venture partners), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (ii) activities and operations conducted prior to the initial closing to source potential investments for a Fund, which are either (a) acquired by the Fund or (b) not acquired by the Fund but were sourced for the Fund, rather than solely for any of the existing commitments; (iii) indebtedness of, or guarantees made by, a Fund, such Fund's manager or the general partner on behalf of such Fund (including any indebtedness of, or guarantees made, in connection with any subscription line, credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iv) financing, commitment, origination and similar fees and expenses; (v) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (vi) brokerage, sale, custodial, depository, trustee, record keeping, account and similar services; (vii) legal, accounting, research, auditing, administration (including fees and expenses associated with a Fund's third party administrator and administration or reporting software, if any), information, appraisal, advisory, valuation (including third party valuations, appraisals or pricing services), real estate title, survey, hedging, consulting (including consulting and retainer fees and other

compensation paid to consultants performing investment initiatives and other similar consultants), tax and other professional services; (viii) property management, leasing, construction management, development, environmental, brokerage, sales agents and other services; (ix) reverse breakup, termination and other similar fees; (x) certain insurance coverage premiums and fees and regulatory expenses; (xi) filing, title, transfer, registration and other similar fees and expenses; (xii) printing, communications, marketing and publicity, including fees and costs of any third party service providers and professionals related to the foregoing; (xiii) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports (including Form PF and any filings or reports contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation), or other information, including fees and costs of any third party service providers and professionals related to the foregoing; (xiv) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of a Fund or the limited partners; (xv) any activities with respect to protecting the confidential or non-public nature of any information or data; (xvi) to the extent provided in a Fund's Partnership Agreement or otherwise approved by such Fund's general partner in its sole discretion, activities or proceedings of the Advisory Committee (including any reasonable out-of-pocket costs and expenses incurred by representatives of the general partner, the Advisory Committee members, permitted observers and other persons in attending or otherwise participating in meetings of the Advisory Committee); (xvii) indemnification (including any fees, costs and expenses incurred in connection with indemnifying any partner or other person or entity pursuant to the relevant Partnership Agreement and advancing fees, costs and expenses incurred by any such person or entity in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Partnership Agreement) except as otherwise set forth in the relevant Partnership Agreement; (xviii) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith; (xix) any annual limited partner meeting or other periodic, if any, meetings of the limited partners and any other conference or meeting with any limited partner(s), in each case to the extent incurred by a Fund, such Fund's general partner or any other affiliate of the general partner; (xx) except as otherwise determined by a general partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, subsidiaries or actual or potential investments (to the extent not borne or reimbursed by a subsidiary or investment of such alternative investment vehicle) that would be an Operating Expense if it were incurred in connection with a Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Fund to the extent not paid by the investors investing in such entities; (xxi) the termination, liquidation, winding up or dissolution of a Fund; (xxii) defaults by partners in the payment of any capital contributions; (xxiii) amendments, restatements or other modifications to,

waivers, consents or approvals pursuant to, and compliance with (or monitoring compliance with) a Fund's Partnership Agreement, the management agreement between a Fund and such Fund's Manager, side letters and the constituent documents and any other related documents of a Fund, any parallel fund, the general partner of a Fund, the general partner of any parallel fund, the manager and any alternative investment vehicle of a Fund or any parallel fund, including the preparation, distribution and implementation thereof or of other materials in connection with compliance (or monitoring compliance) with such documents; (xxiv) (a) complying with any law or regulation related to the activities of a Fund (including regulatory expenses of the general partner incurred in connection with the operation of the Fund and legal fees and expenses) and/or (b) any litigation or governmental inquiry, investigation or proceeding involving a Fund, including the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the relevant Partnership Agreement; (xxv) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a limited partner; (xxvi) any taxes, fees and other governmental charges levied against a Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of a Fund; (xxvii) distributions to the partners and other expenses associated with the acquisition, holding and disposition of a Fund's investments, including extraordinary expenses; (xxviii) compliance or regulatory matters related to a Fund, except as otherwise set forth in the such Fund's Partnership Agreement; (xxix) any travel (including, where appropriate as determined by the general partner of a Fund, the cost of using private aircraft or other private air travel at a cost above the cost of first class commercial airfare), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxx) all costs and expenses associated with operating a feeder vehicle which invests all or substantially all of its assets in a Fund, including all expenses associated with its management, operation, winding-up, liquidating and dissolution and with preparing and distributing such feeder vehicle's financial statements, tax returns and feeder vehicle limited partner reports, but not including any income based or similar taxes, fees or other governmental charges levied against such feeder vehicle; (xxxi) a proportionate share of the expenses incurred by the manager of a Fund in connection with its employment of in-house counsel (compensation and overhead), based upon the such manager's good faith determination of (A) the amount of time such in-house counsel devotes to Fund matters in relation to the total amount of time devoted by such in-house counsel to all other manager matters; and (B) an assumed compensation rate for the legal services performed by such in-house counsel that in no event exceeds the market rate for such services when provided by outside counsel (determined by reference to the compensation payable to attorneys at law firms in the "Am Law 100" (or analogous industry rankings) with commensurate experience); (xxxii) unreimbursed costs and expenses and unpaid fees of any person or entity providing services to a Fund or any investment as contemplated by such Fund's Partnership Agreement; (xxxiii) any organizational expenses; (xxxiv) any placement fees (it being understood that such amounts will offset the Management Fee); (xxxv) any fees, costs and expenses paid or reimbursed by a Fund to third parties hired to comply with legal requirements or for the

purpose of offering interests in the Fund, any parallel fund, any feeder vehicles and/or any of their subsidiaries in accordance with the laws of any jurisdiction; (xxxvi) any management fees; (xxxvii) any other fees, costs, expenses, liabilities or obligations approved by the Advisory Committee; and (xxxviii) any other costs or expenses that are not normally recurring operating costs or expenses, but not including any expenses borne by the manager or its affiliates of a Fund, including (a) costs and expenses incurred by the manager that relate to its office space, facilities, utility services, supplies and necessary administrative and clerical functions; (b) compensation of all employees engaged in the manager's business (other than a proportionate share of the expenses incurred by the manager in connection with its employment of in-house counsel (compensation and overhead) borne by the Fund as described above) and (c) Workers' Compensation Insurance and the premiums for other types of insurance that are related strictly to the manager's business and not an investment or potential investment.

Subject to the applicable Partnership Agreement, each Fund will also bear all legal, accounting, filing and other organizational and offering fees and expenses incurred in its formation (collectively, the "Organizational Expenses"), including travel, printing, legal, capital raising, accounting, regulatory compliance (including the initial compliance contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation), any administrative or other filings, and other organizational and offering fees and expenses. The Fund will also bear expenses of the type described in the preceding sentence to the extent incurred by any placement agent. The general partner of a Fund will bear the cost (through an offset against the Management Fee or otherwise) of all such Organizational Expenses in excess of the threshold set forth in the relevant Partnership Agreement (if any) and of any placement fees payable to any placement agent in connection with the formation of such Fund.

While the Adviser does not expect to receive additional fees in connection with the services it provides to the Funds, with the consent of the Advisory Committee or the investor in a separate account, as applicable, certain affiliates of the Adviser and general partners could receive certain fees (including property management, construction and other similar fees), in connection with operational services performed for a Fund or with respect to portfolio investments. In the event that an affiliate of the Adviser and any general partner receives such fees, the Partnership Agreement and Management Agreement of such Fund require that the additional fees not exceed rates payable for such services to experienced third-persons. The consent of the Advisory Committee or the investor in a separate account, as applicable, would not be required if all of the additional fees are paid to the Fund or offset against future Management Fees.

To the extent the Adviser is paid fees of the type referred to in this section from, on behalf of or with respect to co-investors in an investment, the receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to its

allocable portion of any such fee and not the portion of any fee that relates to such co-investors, which may be significant.

The Adviser allocates each of the costs noted above in its good faith discretion among its clients in accordance with the Adviser's expense allocation policies and the applicable Partnership Agreements and Management Agreements. Expenses relating to proposed Fund investments that are ultimately not consummated are generally the responsibility of the Fund that incurred them (and not of any co-investors or co-investment vehicles) unless another Fund proceeds with the investment, in which case the latter Fund shall reimburse the former Fund, in whole or in part, as determined by the Adviser in good faith. All broken deal expenses incurred with respect to an investment that the general partner of a Fund with a side car co-investment vehicle offers, or expects to offer at the time such expenses are incurred, to such side car co-investment vehicle, will be borne by such Fund and its side car co-investment vehicle in such proportions as such general partner reasonably expects (or expected) such Fund and side car co-investment vehicle to participate in such investment.

### ***Other Information***

The Adviser is permitted to exempt certain of its affiliates and related persons that invest in the Funds from payment of all or a portion of Management Fees and/or carried interest, such as "friends and family" of the Adviser or its personnel, or other investors meeting certain qualification requirements based on timing of commitment or commitment size. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by the Adviser and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where a Rockwood professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant Partnership Agreement, the Adviser has the right to permit investors, affiliated with the Adviser or otherwise, to invest through the relevant general partner or through other vehicles that do not bear Management Fees or carried interest.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Partnership Agreement, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other current or former employees of Rockwood generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by the relevant general partners or their affiliates.

The Funds may include alternative investment vehicles established from time to time in order to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund.

It is the Adviser's practice to engage certain joint venture partners, typically through joint ventures and sometimes through incentive management agreements, to provide services to (or with respect to) certain current or prospective investments in which one or more Funds invest. Such joint venture partners generally provide services in relation to the identification, acquisition, holding, rehabilitation, development, improvement, construction management, leasing and disposition of investments, including day-to-day operational aspects of such investments. Joint venture partners receive compensation, which may include, but is not limited to, cash fees, retainers, transaction fees, property management fees, a profit or equity interest in an investment, remuneration from the Funds and/or their respective general partners or other compensation, which typically are determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such joint venture partners, a percentage of the value of the investment, the invested capital exposed to such investment, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. Joint venture partners also generally will be reimbursed for certain travel and other costs in connection with their services. As described above, no such amounts will offset the Management Fee.

#### **Item 6 – Performance-Based Fees and Side-by-Side Management**

Pursuant to the Partnership Agreements of certain Funds (including certain side car co-investment vehicles, but excluding the Debt Vehicles), the general partners of such Funds are entitled to receive "carried interest" with respect to each limited partner as a percentage of such limited partner's investment profits, subject to satisfaction of a cumulative preferred return, compounded annually. Each Fund's general partner is a related person of the Adviser. Such carried interest is generally paid out of proceeds realized from the applicable investments of the Fund.

The existence of the carried interest may incentivize the Adviser to dedicate increased resources and allocate more profitable investment opportunities to a Fund (including to a Fund with a side car co-investment vehicle) whose distribution characteristics would allow the Fund's general partner (an affiliate of the Adviser) to receive a higher carried interest (or to be paid its carried interest sooner) based on the success of the underlying portfolio investments. Further, the Adviser may be incentivized to allocate investment opportunities to certain Funds (including to Funds with side car co-investment vehicles) which, based on investment performance, are not required to recover losses attributable to prior unprofitable investments before the Fund's general partner may

receive a carried interest. This conflict is mitigated by the fact that the Adviser has developed compliance policies and procedures (including the Allocation Policies defined below) designed to address related conflicts of interests, described in this Item 6, Item 11 and in the applicable provisions of the Partnership Agreement.

The existence of carried interest may also create an incentive for the general partners of certain Funds (including those Funds with side car co-investment vehicles) and the Adviser to make more speculative investments on behalf of an applicable Fund than it would otherwise make in the absence of such carried interest. To help align the interests of the general partner and Adviser with those of the limited partners, the general partners generally invest, in or alongside the Funds structured as real estate funds, an amount equal to at least 1% of the total capital commitments of the limited partners and the side car partners (if any). In the case of Funds structured as separate accounts, this amount is separately negotiated.

## **Item 7 – Types of Clients**

As described in Item 4, the Adviser's sole clients are the Funds. The Adviser provides investment advisory services directly to the Funds and not individually to the limited partners of the Funds. Limited partner interests in the Funds may be purchased only by investors that are (a) "accredited investors," as defined in Regulation D of the U.S. Securities Act of 1933, as amended, and (b) "qualified purchasers" for purposes of section 3(c)(7) of the Investment Company Act of 1940, as amended.

Limited partners of the Funds generally are required to make a minimum commitment of \$5 million, but a Fund's general partner has the discretion to waive this minimum commitment in certain circumstances. As a condition to such waiver, the general partner may set additional requirements or conditions that are mutually acceptable to such limited partners.

Some limited partners may have the opportunity to participate in co-investment opportunities as further described below. Such limited partners will not be required to make a minimum commitment, however, limited partners will generally only be permitted to participate in a side car co-investment vehicle if its commitment to the corresponding Fund exceeds a commitment threshold set forth in the Partnership Agreement.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### ***Methods of Analysis and Investment Strategies***

The Funds will generally seek to make investments in all types of real estate and real estate-related assets ("Investments") located primarily within the United States, although the Funds may also make Investments in Canada and the Caribbean. Investments are expected to include the following types of properties, among other things: central

business district and suburban offices, research and development properties, hotels, retail properties, industrial properties, residential properties and data centers. The Funds may also invest in land, generally when entitled with a business plan for near-term development. Investments are expected to be made in, among other things, undervalued and distressed real estate assets, properties in need of market repositioning, releasing, redevelopment or rehabilitation, new real estate development and existing stable assets, in each case where there is a business plan that envisions putting income in place, or enhancing existing income over the near term, generally within three or four years. Investments may be structured as equity or debt (or combinations thereof) and may include investments in property owners, property managers, property developers and other real estate-related businesses, as well as purchases or originations of debt instruments. The Funds will only invest in publicly-traded real estate securities if such investments are (a) part of a bona fide business plan or agreement pursuant to which the Funds will attempt to gain control of the issuer of such securities and/or ownership of the issuer's real estate assets or (b) made in order to qualify or help maintain the qualification of an entity as a REIT for U.S. federal income tax purposes.

Each Fund is guided by an annual investment strategy that is reevaluated and refined based upon evolving market conditions. The Adviser identifies broad areas of opportunity by analyzing macroeconomic drivers such as population demographics, employment trends and capital market flow and layers in property sector specific supply/demand fundamentals in the various geographic markets. The Adviser prepares detailed business plans for each investment that cover, among other things: capitalization, revenues, operating and capital budgets, the manner in which value creating initiatives (e.g., renovation, re-leasing, and operating expense reduction) will be implemented and exit strategy.

To facilitate this investment strategy, the Adviser employs portfolio management strategies to enhance overall returns and to reduce risk. The primary objective of the Adviser's portfolio management strategies is to assemble a well-diversified pool of assets and actively blend its overall risk/return characteristics. While the Adviser evaluates the individual merits of each investment, heavy focus is given to how the investment fits within the greater context of the portfolio. The risk profile of each Fund's portfolio is under constant review to ensure that the Fund is not over or under allocated during the investment period of the Fund by geography, property sector, economic base and tenant industry or with respect to any single asset.

### ***Certain Risks Relating to the Investment Strategies of the Funds***

Investing in securities involves risk of loss that clients should be prepared to bear, including the risks summarized below which are generally applicable to the investment strategy of each Fund. The following risks are described in greater detail in the Private Placement Memorandum or subscription agreement (as applicable) provided to limited partners and include but are not limited to those related to:



- regulation of the private equity industry;
- increased regulatory oversight of the Funds and the Adviser;
- natural fluctuations and cycles inherent to the real estate industry;
- exposure to the general risks of real estate development;
- highly competitive market for investments;
- exposure to certain risks of real property investments, real estate loans and participations, residential real estate investments, and real estate investments subject to ground leases;
- subjectivity of the due diligence process;
- availability of debt financing for transactions;
- the restricted nature of investments;
- fluctuations in interest rates;
- reliance on the expertise of investment professionals of the Adviser and its affiliates;
- illiquidity of investments;
- lack of diversification;
- change in a Fund's investment strategies over time;
- exposure to certain risks and costs of entering into subscription lines;
- exposure to a variety of local, state and federal statutes, ordinances, rules and regulations concerning the protection of health and the environment;
- availability of insurance against certain catastrophic losses;
- investments in non-performing or other troubled assets;
- investments in non-U.S. assets;
- exposure to risks inherent in investments in loans and other debt instruments;
- failure or inability of a Fund to make follow-on investments in a portfolio company;
- potential liabilities in connection with dispositions of investments;
- inability to exercise management control due to (a) the acquisition of a minority interest, (b) the reliance on an independent third-party manager, (c) the partial acquisition of an asset underlying an investment or (d) the acquisition of a subordinate loan position; and compliance with REIT requirements.
- uncertainty of the economic, social and political environment in which a Fund operates;

There are certain risks (in addition to the risks related to the Adviser's investment strategy) associated with investing in the Funds, which are also described in each Private Placement Memorandum or subscription agreement (as applicable).

### ***Certain Conflicts of Interest***

The Adviser and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, legal, management and other services to Funds and to or with respect to entities in which Rockwood is invested ("Investment Entities"). The Adviser will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Partnership Agreement, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of the Adviser conducting its activities, the interests of a Fund may conflict with the interests of the Adviser, one or more other Funds, Investment Entities or their respective affiliates or other investments. Certain of these conflicts of interest are discussed herein. As a general matter, the Adviser will determine all matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds or by clients of the separate accounts, as applicable.

Rockwood's principals currently, and will continue to, manage and monitor multiple Funds. Thus, conflicts of interest may arise in allocating management time, services or functions with respect the Funds. From time to time, the Adviser will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds. In determining which investment vehicles should participate in such investment opportunities, the Adviser and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one client of the Adviser in an Investment Entity may also raise the risk of using assets of a client of the Adviser to support positions taken by other clients of the Adviser.

The Adviser must first determine which Fund(s) will, or are required to participate in the relevant investment opportunity. The Adviser generally assesses whether an investment opportunity is appropriate for a particular Fund based on the investment objectives and target investments of such Fund as set forth in such Fund's Partnership Agreement. To the extent that a relevant Partnership Agreement does not address the manner in which an investment opportunity should be allocated, the Adviser will allocate the opportunity between or among the Funds in good faith, according to the policies and procedures set forth in its written compliance policies and procedures (the "Allocation Policies"). Specifically, before an investment opportunity can be pursued by any Fund, the opportunity must be submitted to the allocation arbiters, who will follow the procedures set forth in the Allocation Policies (the "Allocation Arbiters"). If at least one Allocation

Arbiter determines that the investment opportunity can reasonably be regarded as a “Follow-On Investment” of a specific Fund, the opportunity is first allocated to such Fund. If such Fund’s Investment Committee declines the opportunity, the opportunity is returned to the Allocation Arbiters for re-allocation. If the Allocation Arbiters unanimously conclude that the opportunity fits within one, and only one, investment strategy, the opportunity will be offered exclusively to the Fund or Funds within such strategy on a rotating basis (described in the Allocation Policies). If the Allocation Arbiters cannot unanimously conclude that the opportunity fits within one, and only one, investment strategy, the opportunity is first allocated to each Fund within all such strategies, and if (a) one, and only one, Fund’s portfolio manager expresses interest in the opportunity, the opportunity will be offered exclusively to such Fund, (b) more than one of the Funds’ portfolio managers expresses interest in the opportunity, the opportunity will be offered to such Funds on a rotating basis (described in the Allocation Policies), and (c) none of the Funds’ portfolio managers express interest in the opportunity, the opportunity is returned to the Allocation Arbiters for re-allocation. The Fund to which an opportunity is allocated will have the exclusive right to pursue such opportunity unless and until its Investment Committee declines the opportunity.

Decisions regarding whether and to whom to offer co-investment opportunities may be made by the Adviser or its related persons in their sole discretion in accordance with the Funds’ governing documents. Although a prospective co-investor’s willingness to invest in future Funds may be considered by the Adviser, it will not be the sole determining factor considered by the Adviser in identifying co-investors. The general partner of a Fund is not obligated to offer investors co-investment opportunities and may make available co-investment opportunities to (a) strategic investors, (b) limited partners whose capital commitments exceed certain threshold amounts determined in the applicable Partnership Agreements and (c) side car co-investment vehicles, in each case subject to the terms of the applicable Partnership Agreement. The side car co-investment vehicles of certain Funds are generally expected to participate in follow-on investment opportunities. Certain other side car co-investment vehicles are generally structured to participate in all Fund investments in excess of a threshold amount determined in the applicable Partnership Agreement.

In the event that co-investment opportunities are available after being offered to a side car co-investment vehicle, the Fund’s general partner may offer such co-investment opportunity to one or more limited partners whose capital commitments exceed certain threshold amounts determined in the applicable Partnership Agreement or to other third parties. As a result, limited partners who are not side car partners, or who have a capital commitment below the applicable threshold amount, are less likely to be offered the opportunity to participate in any given co-investment opportunity.

As discussed above, co-investment opportunities may, and typically will, be offered to some and not to other Rockwood investors. Partners and principals of the Adviser have

a material financial interest in certain Fund investments through their commitment to the relevant general partners, as described in Item 6. The Adviser, its affiliates and their related persons are subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed. The Adviser has adopted the Code of Ethics and certain written policies to ensure compliance with the conflict of interest provisions of each Partnership Agreement, which address conflicts involving the Adviser, its affiliates and their related persons.

The Adviser's allocation of investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others. While the Adviser will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the conflicts of interest to which the Adviser may be subject, discussed herein, did not exist.

In certain cases, the Adviser will have an opportunity (but, subject to any applicable restrictions or procedures in the relevant Partnership Agreement, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, the Adviser will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on suitability and other factors that the Adviser may deem relevant, and unless required by the relevant Partnership Agreement, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Furthermore, conflicts may arise when a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in assets in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This may result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) with which it co-invests will exit such investment at the same time or on the same terms. The Adviser and its affiliates may express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions may be taken for one or more Funds that adversely affect other Funds.

Subject to any relevant restrictions or other limitations contained in the relevant Funds' Partnership Agreements, the Adviser will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, the Adviser may be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions generally will be made by the Adviser or its affiliates using their best judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or the Adviser. The Funds have different expense reimbursement terms, including with respect to Management Fee offsets, which may result in the Funds bearing different levels of expenses with respect to the same investment.

As a result of the Funds' controlling interests in investments, the Adviser typically has the right to appoint Investment Entity board members, managers or other representatives with respect to such investments or to influence their appointment, and to determine or influence a determination of their compensation. Such amounts will be in addition to any Management Fees or carried interest paid by a Fund to the Adviser. While occasionally, the Funds may make investments through special purpose vehicles, including REITs ("SPVs"), the Adviser views such SPVs as part of the Funds and the Adviser receives no additional benefit from advising the SPVs.

Additionally, an Investment Entity in which one or more Funds may invest may reimburse the Adviser or service providers retained at the Adviser's discretion for expenses (including without limitation travel expenses) incurred by the Adviser or such service providers in connection with its performance of services for such Investment Entity. This subjects the Adviser and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time may be substantial. The Adviser determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in the Fund's audited financial statements, and any fee paid or expense reimbursed to the Adviser or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to Investment Entities; and/or third party co-investors in its transactions. These factors help to mitigate related conflicts of interest.

The Adviser generally exercises its discretion to recommend to a Fund or to an Investment Entity that it contract for services with (i) the Adviser or a related person of the Adviser (which may include an Investment Entity), (ii) an entity with which the Adviser or its affiliates or current or former members of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit or (iii) certain limited partners or their affiliates. For example, the Adviser may be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. This discretion subjects the Adviser to conflicts of interest, because although the Adviser selects service providers that it believes are aligned with its operational strategies and will enhance investment performance and, relatedly, returns of the relevant Fund, the Adviser may have an incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that the Adviser, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or the Adviser), may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not the Adviser has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

A Fund may from time to time engage in certain transactions with the Adviser and its affiliates. The Adviser and its affiliates may perform services for the Funds that would otherwise be performed by third parties (including, but not limited to, administrative, legal, marketing, leasing, hedging and other services) on such terms and conditions that the Adviser determines are fair and reasonable, provided, however, that the fees earned by the Adviser and its affiliates for such services shall not exceed the rate that would be payable if such services were provided by third parties in the business of providing comparable services on an arm's-length basis.

Rockwood may also, from time to time, employ personnel with pre-existing ownership interests in investments owned by the Funds or other investment vehicles advised by the Adviser; conversely, former personnel or executives of Rockwood may serve in significant management roles with respect to investments or service providers recommended by Rockwood. Similarly, Rockwood and/or personnel maintain business, personal, political, financial or other relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, brokers, administrators, bankers, investment or commercial banking firms, consultants, finders (including executive finders and deal finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, certain other advisors and agents, and certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an

investor) in, engage in transactions with, be affiliated with and/or provide services (including services at reduced rates) to the Adviser and/or its affiliates, and/or the Funds or other investment vehicles they advise. The Adviser may have a conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or an Investment Entity, if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Rockwood information about markets and sectors in which Rockwood operates (or is contemplating operations) or will provide other services that are beneficial to Rockwood. Rockwood may have a conflict of interest in making such recommendations, in that Rockwood has an incentive to maintain goodwill between it and the existing and prospective Investment Entities and entities with which it invests, while the products or services recommended may not necessarily be the best available to investment invested by a Fund. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to the Manager or its affiliates as compared to services provided to the Fund and its investments, which may result in more favorable rates or arrangements than those payable by the Fund or such investments.

The Adviser maintains business relationships with certain advisors and consultants who generally have established asset-class, industry and/or regional expertise and whom the Adviser expects to assist or advise it with respect to transaction sourcing, due diligence, valuation, structuring, consulting or similar matters with respect to one or more of a Fund's portfolio investments. In some cases, these individuals are former employees of the Adviser or its affiliates or otherwise have close business and personal relationships with the Adviser or its affiliates. In general, these persons are independent contractors and not employees of the Adviser, even though they perform the same or similar activities as employees of the Adviser or they have more access to and involvement in the Adviser's business activities than other third-party consultants. These persons are not affiliates of the Adviser for purposes of the applicable Partnership Agreement and therefore are not subject to certain restrictions and conditions of the Partnership Agreement that relate specifically to the Adviser's employees and affiliates. For example, a Fund may make payments to these persons, and fees paid to these persons (if any) will not reduce the management fees payable by limited partners, even if such amounts would reduce the management fee if they were paid to the Adviser's affiliates. Relying on such persons, however, creates conflicts of interest. For example, the Adviser typically determines the amount of compensation that will be paid to such persons. Such persons may have tailored compensation arrangements specific to their engagement and can receive compensation in multiple forms, depending on their individual arrangement and the services they provide, including cash payments from the Adviser, a fund or a portfolio investment, carried interest in Rockwood Funds, profits interests in a portfolio investment, equity or stock option grants from a portfolio investment, and fees and promote relating to a particular transaction. To the extent a Fund or its portfolio investments incur these compensation costs, they would ultimately be borne by the Fund's limited partners, but generally would not offset the management fees payable

by them, even if such amounts would reduce the management fee if they were paid to the Adviser's affiliates. In addition, given that the Adviser (and not the Fund) pays the salaries of its employees (other than a proportionate share borne by the Fund in connection with the Adviser's employment of in-house counsel), the Adviser has incentives to retain individuals as advisors or consultants instead of hiring them as employees, or to convert existing employees to advisors or consultants.

The Adviser, its affiliates, and equity holders, officers, principals and employees of Rockwood may buy or sell securities or other instruments that the Adviser has recommended to a Fund. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of Rockwood have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective investments directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore may have additional conflicting interests in connection with these investments.

Because certain expenses are paid for by a Fund and/or its Investment Entities or, if incurred by the Adviser, are reimbursed by a Fund and/or its Investment Entities, the Adviser will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

Because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure may create an incentive to deploy capital when the Adviser may not otherwise have done so.

The limited partners of the Funds include taxable and tax-exempt entities and include persons or entities organized in various jurisdictions. The limited partners of the Funds may have conflicting investment, tax and other interests with respect to their investments in the Funds. The conflicting interests of individual limited partners may relate to or arise from, among other things, the nature of investments made by the Funds, the structuring of the acquisition of the Funds' investments and the timing of disposition of investments. Such structuring of Fund investments may result in different returns being realized by different limited partners in any Fund. As a result, conflicts of interest may arise in connection with decisions made by the Adviser and its affiliates being more beneficial for one type of limited partner than for another type of limited partner. In selecting investments appropriate for the Funds and deciding upon the structure of Fund investments, the Adviser will consider the investment and tax objectives of the Fund as a whole in the event there are conflicts among the limited partners.

The Adviser and its affiliates may enter into side letter arrangements with certain investors in a Fund, providing such investors with different or preferential rights or terms,



including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights.

Any of these situations subjects the Adviser and/or its affiliates to potential conflicts of interest. The Adviser attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by the Adviser to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among the Funds in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, the Adviser will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, the Adviser consults and receives consent to conflicts from the applicable Fund's advisory committee or clients of the separate accounts, as applicable.

#### **Item 9 – Disciplinary Information**

The Adviser and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

The general partners of the Funds, as applicable, are affiliated with the Adviser by common ownership. Otherwise, the Adviser and its related persons do not have any relationships or arrangements with financial services companies that pose material conflicts of interest. Should conflicts of interest arise in the context of these relationships, such conflicts will be addressed in accordance with the Code of Ethics adopted by the Adviser (described in further detail in Item 11), the Partnership Agreements and the Adviser's written compliance policies and procedures, as applicable.

#### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

##### ***Code of Ethics***

The Adviser has adopted a code of ethics (the "Code of Ethics") pursuant to SEC Rule 204A-1 under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") for all Supervised Persons (identified below) of the Adviser describing its high standard of business conduct and its fiduciary duty to the Funds under the Advisers Act. "Supervised Persons" include (a) any partner, officer, member, director (or other person occupying a similar status or performing similar functions), or employee of the Adviser and (b) any other person who provides investment advice on behalf of the Adviser and is subject to the Adviser's supervision and control.

The Code of Ethics was adopted in order to establish the standard of conduct expected of all of the Adviser's Supervised Persons, in light of the Adviser's duties to the

Funds under the Advisers Act. Supervised Persons must act at all times in accordance with the Adviser's fiduciary duty to the Funds. Each Supervised Person, as applicable, should (i) at all times place the interest of the Funds before his or her own interests, (ii) act with honesty and integrity with respect to the Funds and the Fund investors, (iii) never take inappropriate advantage of his or her position with the Adviser for his or her personal benefit, (iv) make full and fair disclosure of all material facts, particularly where the interests of the Adviser or Supervised Person may conflict with the Funds and (v) have a reasonable, independent basis for his or her investment advice.

The Code of Ethics includes provisions relating to the confidentiality of information relating to limited partners, a prohibition on insider trading, a prohibition on disseminating rumors, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, restrictions and reporting obligations relating to making political contributions and anti-money laundering and sanctions policies, among other matters. All Supervised Persons of the Adviser must submit to the Chief Compliance Officer an annual certification of compliance with the Code of Ethics and the Adviser's written compliance policies and procedures.

The Code of Ethics forbids any Supervised Person from engaging in any insider trading and from disclosing or using material non-public information in violation of applicable law. The Code of Ethics generally restricts trading in close proximity to any Fund's investment activity. All of the Adviser's Supervised Persons are required by the personal securities transactions policy in the Code of Ethics to:

- report personal investment transactions to the Chief Compliance Officer quarterly;
- pre-clear personal securities transactions in any U.S. initial public offering and as part of any private placement; and
- report securities holdings to the Chief Compliance Officer quarterly.

Employee trading is routinely monitored by the Chief Compliance Officer pursuant to the Code of Ethics in order to reasonably prevent or address conflicts of interest among the Adviser, Supervised Persons and the Funds.

All Supervised Persons whose duties and responsibilities bring him or her into contact with investor information will receive training with respect to the security and confidentiality of investor information. In addition, Supervised Persons must annually certify that they have acted in accordance with the policies and procedures set forth in the Code of Ethics, including the personal securities trading policy.

In borrowing on behalf of a Fund, the Adviser is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings

at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. In addition, when the Management Fee is calculated as a percentage of invested capital, a limited partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above.

The Adviser will effect such borrowings in a manner it believes to be fair and equitable to the relevant Fund, and consistent with the Adviser's obligations to the Fund under such Fund's constituent documents.

Any restriction or policy set forth in the Code of Ethics may, subject to applicable law, be waived by the Chief Compliance Officer.

Clients of the Adviser may request a copy of the Code of Ethics, free of charge, by contacting the Adviser's Chief Compliance Officer.

### ***Personal Financial Interests***

The Adviser has adopted a conflicts of interest policy and the Code of Ethics in order to address the conflicts that could arise if the personal or private interests of its Supervised Persons conflicts with the interests of the Funds. Such conflicts of interest arise whenever an individual's objectivity in reaching or influencing decisions for the Adviser is, may be or even appears to be affected by factors other than the Fund's best interests. Supervised Persons may not have outside interests that conflict or appear to conflict with the best interests of the Adviser or the Funds, unless they have received authorization from the Chief Compliance Officer, however in certain limited circumstances this requirement may be waived by the Chief Compliance Officer. Supervised Persons who become aware of any possible conflicts of interest are required to report the situation to the Chief Compliance Officer. The Chief Compliance Officer will determine the appropriate course of action with regard to any specific situation, including providing Fund investors with appropriate disclosures concerning the conflict.

## **Item 12 – Brokerage Practices**

Due to the nature of each Fund's investments, broker-dealers are not generally used for transactions. However, if any Fund were to execute a transaction through a broker, dealer or underwriter, the Adviser's objective will be to obtain "best execution" (that is, the most favorable price and execution). The Adviser's success at obtaining best execution on any individual transaction will depend substantially on its judgment, knowledge and experience in evaluating the reliability and capability of each counterparty, adviser and service provider based on previous and pending transactions effected by the broker-dealer for client accounts.

### ***Research and Other Soft Dollar Benefits***

The Adviser does not utilize soft dollar arrangements (that is, arrangements under which research and certain other services are acquired in connection with brokerage arrangements). The Adviser's policy is to bear the cost of research it receives that is unrelated to the operations and activities of the Funds. The Adviser does not direct investment opportunities or other transactions to brokers in order to acquire research or other services. In addition, Supervised Persons are required to report and/or seek pre-approval of certain gifts, travel and entertainment provided by present or prospective investors, joint venture partners, providers of goods or services to the Adviser, or other third parties with whom the Adviser has dealings, that may create the perception of a conflict of interest or other impropriety that could, among other things, affect the reputation of the Adviser.

### ***Aggregation of Client Trades***

The purchase or sale of securities may be aggregated for various Funds to the extent that more than one Fund is acquiring or selling securities in the same portfolio company. Where a sale opportunity is identified for an investment held by two or more Funds, the opportunity will be allocated in accordance with the applicable Partnership Agreements and the Allocation Policies described in Item 11.

## **Item 13 – Review of Accounts**

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, each Fund's review process is not directed toward a short term decision to dispose of investments. However, the Adviser's investment professionals closely monitor each Fund's investments. Each investment is made pursuant to a business plan, and each plan includes an exit strategy. The business plan for each investment is regularly reviewed and refined to ensure that value creating initiatives (e.g., renovation, re-leasing, and operating expense reductions) are proceeding on schedule and on budget and to validate the strength of the original investment decision. As the business plan is reviewed and updated annually or more frequently, an assessment of the exit strategy is

also performed. This reassessment involves among other considerations, a qualitative and quantitative review of the property, and the applicable real estate markets and capital markets.

Limited partners in all of the Funds receive annual audited financial statements. The Adviser also provides Fund investors with periodic reports concerning the operations and performance of each applicable Fund. The Chief Compliance Officer will review such reports before their dissemination to ensure that they comply with applicable disclosure guidelines and the Advisers Act.

#### **Item 14 – Client Referrals and Other Compensation**

In connection with the marketing and sale of interests in certain Funds, one or more placement agents have been compensated in accordance with the Management Agreements and Partnership Agreements of such Funds. These agreements provide that the Management Fees are subject to reduction (as described in Item 5 above) for contributions made by limited partners to the Funds to pay any placement fees paid or payable by such Funds (with the result that placement fees are borne by the Adviser).

Any placement agent for a Fund offering made in the United States must (a) be a broker-dealer registered with FINRA and (b) act according to a written agreement with the Adviser that includes, if applicable, pay-to-play restrictions in accordance with Rule 206(4)-5 under the Advisers Act (the “Pay-to-Play Rule”).

No payment or other consideration will be given to a third party for directing a potential investor to the Adviser without the prior approval of the Chief Compliance Officer. Where the investor is a state or local government entity, the Adviser will require that the third party conduct its activities in accordance with the Pay-to-Play Rule, applicable law and any internal written policies of a state or local government agency.

#### **Item 15 – Custody**

The safeguarding of Fund assets and compliance with Rule 206(4)-2 of the Advisers Act (the “Custody Rule”) is of primary importance to the Adviser. Neither the Adviser nor any Supervised Person should ever have physical custody of any Fund’s cash, cash equivalents or securities. All funds and securities of the Funds must be maintained with a “Qualified Custodian” (as defined under the Custody Rule). If any Supervised Person receives funds or securities from the Fund or any third party, he or she must contact the Chief Compliance Officer immediately and ensure that the funds or securities are returned to the sender in an appropriate manner.

Because related persons of the Adviser serve as general partner of each Fund, the Adviser is deemed to have custody of Fund assets. Each limited partner of a Fund receives,

within 120 days of the Fund's fiscal year end, the Fund's audited financial statements prepared in accordance with generally accepted accounting principles.

#### **Item 16 – Investment Discretion**

The Adviser has discretion to recommend investments for each Fund to the general partner of the Fund without the consent of the Fund's limited partners, subject to the limitations set forth in the Management Agreement and/or Partnership Agreement of such Fund. However, the management and the conduct of the activities of each Fund remain the ultimate responsibility of such Fund's general partner, each of which is an affiliate of the Adviser.

#### **Item 17 – Voting Client Securities**

The Funds will primarily make real estate related investments and it is not expected that the Adviser will be required to vote proxies with respect to the assets owned by the Funds. In the event that the Adviser is required to vote proxies on behalf of a Fund, the Partnership Agreements may provide the Adviser with the authority to vote proxies with respect to the securities owned by the Fund. In such cases, each proxy proposal received by the Adviser will be thoroughly reviewed by the relevant Investment Committee in order to ensure that such proxy is voted in the best interests of the Fund.

All conflicts of interest related to proxy voting will be resolved pursuant to the Adviser's written proxy voting policies and procedures in a manner consistent with the best interests of the relevant Fund. In situations where a Supervised Person or the Adviser perceives a material conflict of interest relating to a particular proxy proposal, the Adviser will require the proposal to be reviewed by the Chief Compliance Officer, who will determine how to vote the proxy in the manner consistent with the Fund's best interest.

The Adviser will provide to the limited partners of each Fund, upon request: (a) information pertaining to proxies voted by the Adviser on behalf of such Fund and/or (b) a copy of the Adviser's proxy voting policies and procedures.

#### **Item 18 – Financial Information**

The Adviser has no financial commitments that impair its ability to meet its contractual or fiduciary commitments to the Funds. The Adviser has not been the subject of a bankruptcy proceeding.