

**CROW HOLDINGS CAPITAL**

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**This brochure provides information about the qualifications and business practices of Crow Holdings Capital. If you have any questions about the information contained in this brochure, please contact us at (214) 661-8000. 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.**

**This brochure does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of offering, governing and/or account documents that contain the material terms relating to such investments, products or services.**

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

March 28, 2019

## ITEM 2: MATERIAL CHANGES

The date of the last annual updating amendment to our firm brochure was March 30, 2018. A summary of certain of the material changes made to our firm brochure since the date of our last annual updating amendment is set forth below:

- In late 2018, one of our affiliates established CHC Private Equity 2019, L.P. ("PE 2019") as a pooled investment vehicle to make passive investments in private equity funds managed and sponsored by third party managers. **See Item 5.**
- Series B-1 of CHC Elements began its liquidation in 2018 and expects to complete such liquidation in 2019. As a result, all references to Series B-1 have been removed from our firm brochure. Interests in CHC Elements (including each series thereof) are no longer being offered or made available to new investors.
- Advisory Accounts may be subject to higher advisory fees or additional charges with respect to direct investments in Underlying Funds. In the event that an Advisory Account is permitted to co-invest alongside an Access Fund in an Underlying Fund, such Advisory Account may be required to bear and pay for its allocable share of certain expenses incurred in connection with such Underlying Fund after the date of its investment. **See Item 5.**
- We revised certain of the risk factor disclosures set forth in Item 8.
- We revised and added new disclosures regarding our material relationships and transactions with certain affiliated entities, including Maple Capital Management, L.L.C. ("MCM"), Crow Holdings Industrial ("CHI"), and Trammell Crow Residential Company ("TCR"). For example, certain Real Estate Funds will acquire and recapitalize real estate properties that were developed and owned by CHI, TCR or affiliates thereof. TCR, CHI and certain of their affiliates will or may be preferred developers of various Real Estate Funds or clients. **See Item 10.**
- MCM relies on us and we rely on MCM to maintain certain required books and records relating to dual supervised persons of both MCM and Crow Holdings Capital. **See Item 10.**
- We coordinate with MCM and MCM coordinates with us regarding certain compliance-related matters applicable to our supervised persons who are also supervised persons of MCM. We added various disclosures throughout the firm brochure regarding our affiliation with MCM. **See Items 10, 11 and 12.**
- With respect to certain Real Estate Funds, an independent valuation firm has been (or will be) engaged to value investments owned by such Real Estate Funds. **See Item 12.**

*The information set forth in this brochure is qualified in its entirety by the applicable offering materials and/or governing documents. In the event of a conflict between the information set forth in this brochure and the information in the applicable governing, account and offering documents, such documents shall control.*

***We encourage all clients and investors to carefully review this document and/or any other applicable disclosure documents in their entirety.***

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## ITEM 4: ADVISORY BUSINESS

### FIRM DESCRIPTION AND OVERVIEW

Crow Holdings Capital (“CHC” or “we,” “us,” or “our”) provides investment management, advisory, consulting and other services to pooled investment vehicles, separately managed accounts and other persons and entities through two business units: Crow Holdings Capital – Real Estate and Crow Holdings Capital – Investment Partners. These services began being offered in 2011 and, as described in more detail below, Crow Holdings Capital – Real Estate provides advisory, management, administrative and other services to the Real Estate Funds and Crow Holdings Capital – Investment Partners provides advisory, management, consulting, administrative and other services to the Access Funds, separately managed accounts of advisory clients and other persons and entities.

Our investment advice is provided in accordance with the investment objectives, strategies, guidelines, restrictions and limitations contained in the applicable offering, governing and/or account documents, and the information in this brochure is qualified in its entirety by the information set forth in such documents.

### PRINCIPAL OWNERS

We are ultimately owned, indirectly through intermediate subsidiaries, by Crow Family Holdings (as defined below) and certain of our senior employees. As used herein, “Crow Family Holdings” means (i) Crow Family, Inc., a Texas corporation, Crow Holdings, L.P., a Delaware limited partnership, or any successors thereto and (ii) entities owned and controlled by any two or more of the Harlan R. Crow Family Branch Partnership, L.P., the Trammell S. Crow Family Branch Partnership, L.P. and the Stuart M. Crow Family Branch Partnership, L.P. While Crow Family Holdings owns a majority of our equity interests, it is a passive owner and is not involved in our day-to-day management and operations. See **Item 11**.

### TYPES OF ADVISORY SERVICES

#### Real Estate Funds

Crow Holdings Capital – Real Estate provides advisory, management, administrative and other services to affiliated private pooled investment vehicles (“Real Estate Funds”) with respect to investments in real estate and real estate related assets, including warehouses, retail centers, retail convenience store and gas station assets, multi-family housing, student housing, senior housing, office buildings, hotels, medical office buildings, manufactured housing, self-storage, single family residential lot development and debt secured, directly or indirectly, thereby. We and the affiliated general partners are responsible for investing the assets of each Real Estate Fund in accordance with the investment objectives, policies, limitations and guidelines set forth in its offering and governing documents. Information about each Real Estate Fund is set forth in its offering memorandum. **See Item 8 below.**

### Access Funds

Crow Holdings Capital – Investment Partners provides advisory, management, consulting, administrative and other services to affiliated private pooled investment and other vehicles (“Access Funds” and, together with the Real Estate Funds, the “Funds”) with respect to investments in securities, financial instruments, private investments and other assets, including co-investments and investments in other pooled investment vehicles (“Underlying Funds”), and separately managed accounts (“Underlying Accounts”) managed, sponsored and operated by third-party investment advisers or managers (“Underlying Managers”). We are responsible for investing and re-investing the assets of each Access Fund (and for the selection of Underlying Funds, Underlying Accounts and Underlying Managers) in accordance with the investment objectives, policies, limitations and guidelines set forth in its offering and governing documents. Information about each Access Fund is set forth in its offering documents. **See Item 8 below.**

### Advisory Accounts

Crow Holdings Capital – Investment Partners provides investment advisory services to separately managed advisory accounts (“Advisory Accounts”) of various advisory clients with respect to investments in securities, financial instruments, private investments and other assets, including investments in the Funds, Underlying Funds and Underlying Accounts. Our investment advisory services are provided in accordance with the terms, conditions, guidelines and limitations set forth in the investment advisory agreement or other agreement with each Advisory Account client, and such agreements can be on a discretionary or non-discretionary basis (or a combination thereof) (with assets designated as such within the applicable agreement and updated from time to time through a schedule attached to each quarterly invoice delivered to Advisory Account clients). We also provide or may provide consulting, administrative, financial planning, family office and/or other types of non-advisory services to certain advisory clients. **See Item 8 below.**

In addition to the foregoing, we provide advisory and other services with respect to Crow Family Holdings and the Advisory Accounts of affiliated entities and certain of our employees.

### Consulting, Financial Planning, Family Office and Other Non-Advisory Services

In addition to the advisory services described above, Crow Holdings Capital – Investment Partners provides consulting, financial planning, family office, reporting, administrative and other types of non-advisory services to certain persons and entities (including certain advisory clients) in accordance with the terms, conditions and limitations set forth in the consulting, family office services or other agreements with such persons and entities. Family office services may include, among other things, service provider coordination and communication, general investment and financial education, operational assistance and reporting and account oversight.

## **INVESTMENT RESTRICTIONS**

### Funds

We provide investment advice and other services to each Fund in accordance with the investment objectives, policies, guidelines and limitations set forth in the applicable offering and governing documents, and not in accordance with the individual needs or objectives of any particular investor in that Fund. Investors generally are not permitted to impose restrictions or limitations on the management of the Funds. Notwithstanding the foregoing, the general partner of a Fund has entered into and/or may in the future enter into side letter agreements or similar arrangements with one or more investors in that Fund that have the effect of establishing rights under, or altering, modifying, waiving or supplementing the terms of, the governing documents of the Fund in respect of such investors. Among other things, these agreements may entitle an investor in a Fund to lower fees (including a reduction in the management fees and/or carried interest or performance-based compensation applicable to such investor), information or transparency rights, excuse or exclusion rights applicable to particular investments, most favored nations status, notification rights, rights or terms necessary or advisable in light of particular legal, regulatory or public policy considerations of or related to an investor and/or other preferential rights and terms. Any rights established, or any terms of the governing documents of such applicable Fund altered or supplemented in a side letter or similar arrangement with an investor will govern solely with respect to such investor notwithstanding any other provision of the governing documents of such applicable Fund related thereto.

Interests in the Funds are privately offered only to eligible investors pursuant to exemptions under the Securities Act of 1933, as amended, and the regulations promulgated thereunder. Such Funds are not registered with the SEC as investment companies based on specific exclusions from the definition of investment company under the Investment Company Act of 1940, as amended.

### Advisory Accounts

We provide and tailor our investment advice and other services based on the investment guidelines, objectives, restrictions, financial circumstances and risk tolerance of each Advisory Account client and the applicable terms and conditions set forth in the applicable advisory or consulting agreement with such client. Subject to our approval, Advisory Account clients generally may impose reasonable restrictions and limitations on our investment advisory services with respect to their Advisory Accounts.

While we may from time to time refer to our Advisory Account clients as “partner families”, no client will, solely by reason of being an advisory client of Crow Holdings Capital, have any right or option to participate as a partner or otherwise in the business, investments, activities or profits of Crow Holdings Capital, its affiliates, Crow Family Holdings or the Crow family.

## **REGULATORY ASSETS UNDER MANAGEMENT**

As of December 31, 2018, we had approximately \$12,755,093,288 in regulatory assets under management. Approximately \$11,962,873,185 of those assets were managed on a discretionary basis and approximately \$792,220,102 were managed on a non-discretionary or limited discretionary basis.

## ITEM 5: FEES AND COMPENSATION

### FEE SCHEDULES

The fees and expenses applicable to or required to be borne by each Fund and Advisory Account client are set forth in detail in the applicable offering documents, governing documents and account documents. A brief summary of such fees and expenses is set forth below.

#### Real Estate Funds

Subject to the terms and conditions set forth in the applicable governing documents, we generally receive a management fee, payable quarterly in advance, from each Real Estate Fund in an amount equal to:

- during the investment period, between 0.3125% (1.25% per annum) and 0.375% (1.5% per annum) of each limited partner's aggregate capital commitments with respect to the Real Estate Fund as a whole or a pool of assets in such Real Estate Fund; and
- after the investment period, between 0.3125% (1.25% per annum) and 0.375% (1.5% per annum) of each limited partner's invested capital in respect of investments (or a portion of such investments) that have not been the subject of a complete or partial disposition.

Subject to the terms and conditions set forth in the applicable governing documents, the Real Estate Funds generally are subject to a carried interest or incentive compensation equal to 20% of profits on distributions derived from the disposition of investments (following the return of contributed capital and a preferred rate of return of 9% to investors).

In addition, the general partners of certain Real Estate Funds are entitled to receive a current income incentive equal to 10% of profits on distributions derived from operating proceeds (cash flow except from distributions and refinancings) during each fiscal year (following the return of contributed capital in respect of operating expenses, management fees, debt service or reserves to investors). Any distributions in respect of the current income incentive will be considered as an advance against the carried interest.

While management fees and/or carried interest distributions with respect to the Real Estate Funds and each investor are not generally negotiable, the general partner of a Real Estate Fund has entered into and may in the future enter into side letters or similar arrangements that reduce fees and/or the carried interest with respect to certain investors (including certain investors who commit significant capital to one or more of the Real Estate Funds).

Moreover, with respect to one or more Real Estate Funds, investors who make large commitments receive a reduction in the management fee percentage applicable to such investors and investors who make commitments early in the fundraising process receive management fee "holidays" or breaks for a certain period of time. With respect to Crow Holdings Build-to-Hold Fund, L.P. (the "BTH Fund"), investors who participated in the initial development pool have lower management fees and pay lower incentive compensation than limited partners admitted thereafter in subsequent closings. Additionally, with respect to certain of the Real Estate Funds, the fund documents provide for reduced carried interest in certain circumstances.

## Access Funds

Management fees differ depending upon the class of interests acquired by investors:

- Class A, A-1 or A-2 Interests (Advisory Account Clients): No management fee is charged to Class A Interests at the Access Fund level. Upon termination of an investment advisory agreement or applicable consulting agreement, an Advisory Account client may become subject to management fees at the Access Fund level. Employees that enter into investment advisory agreements with us generally will receive Class A Interests.
- Class B or B-1 Interests (Non-Advisory Account Clients): We generally receive a management fee, payable quarterly in advance, equal to 0.25% (1.0% per annum) of the net asset value of a Class B investor's capital account, the aggregate capital commitment of that investor or the total invested capital of that investor (as applicable). Employees may elect to receive Class B or Class B-1 interests.
- Class C or C-1 Interests (Certain Employees and Officers): In general, no management fee is charged to Class C Interests at the Access Fund level.

Except as described below, neither we nor any of our affiliates generally are entitled to receive performance-based compensation with respect to the Access Funds.

- CHCP Direct Investors: Subject to the terms and conditions set forth in the partnership agreement of CHCP Direct Investors, investors making an initial equity commitment to CHCP Direct Investors, L.P. ("CHCP Direct Investors") after November 1, 2014 generally are subject to a carried interest equal to 5% of profits on distributions derived from the disposition of an investment on a deal-by-deal basis (following the return of contributed capital, expenses and a preferred rate of return of 8% to investors). Each person admitted to CHCP Direct Investors prior to November 1, 2014 is not subject to any performance-based fee or carried interest. **See Item 6, Item 10 and Item 11 below.**
- CHC DIF: Subject to the terms and conditions set forth in the partnership agreement of CHC Direct Investment Fund I, L.P. ("CHC DIF"), Class B investors (non-advisory clients) generally will be subject to a carried interest equal to 10% of profits on distributions derived from the disposition of investments, cash dividends and interest realized on investments and syndication proceeds (following the return of contributed capital and receipt of a preferred rate of return equal to 8% on unreturned capital to such investors). In the event that CHC DIF or its general partner syndicates a portion of an investment initially acquired by CHC DIF to one or more syndicate investors (indirectly through a syndication vehicle), CHC DIF generally will be entitled to receive all of the carried interest amounts payable by such syndicate investors. Syndicate carry proceeds attributable to any particular investment initially will be apportioned 50% to the general partner of CHC DIF and 50% to the investors, pro rata, in accordance with their respective capital contributions in respect of such investment. Certain classes of syndicate investors will be subject to management fees and a carried interest.



- CHC Elements:
  - Subject to the partnership agreement of CHC Elements Fund, L.P. (“CHC Elements”), Crow Holdings Capital – Investment Partners, in its capacity as the special limited partner, generally is entitled to receive a performance-based allocation equal to 5% of the excess of (i) the net profits allocated to the capital account of each holder of Class B Interests for the applicable performance period over (ii) the management fee attributable to such capital account for such performance period, which is reallocated to our capital account at the end of each calendar year. **See Item 6, Item 10 and Item 11 below.**
  - With respect to Series B of CHC Elements, a performance-based allocation equal to 20% of the excess of (i) the net profits allocated to the capital account of each non-founding client investor (holder of Class A2 interests) and non-advisory client investor (holder of Class B interests) for the applicable performance period over (ii) the management fee attributable to such capital account for such performance period, generally is reallocated to the capital account of Crow Holdings Capital – Investment Partners, in its capacity as the special limited partner, and the capital accounts of the founding client investors (holders of Class A1 interests) and founding employees (holders of Class C1 interests), in accordance with the formula set forth in the Series B Supplement. **See Item 6, Item 10 and Item 11 below.**
- CHC Private Equity 2015, 2017 and 2019. Subject to the terms and conditions set forth in the applicable partnership agreement, Class B investors in CHC Private Equity 2015, L.P. (“PE 2015”), CHC Private Equity 2017, L.P. (“PE 2017”), and CHC Private Equity 2019, L.P. (“PE 2019”) generally are subject to a carried interest equal to 5% or 10% (as applicable) of profits on distributions derived from the disposition of investments (following the return of contributed capital and a preferred rate of return of 8% to such investors). **See Item 6, Item 10 and Item 11 below.**

While our fees generally are not negotiable, the general partner of a Access Fund may enter into side letters or similar arrangements that reduce or eliminate fees in certain circumstances.

#### Advisory Accounts

In general, our fees range between 0.50% and 0.75% per annum of the asset value of the Advisory Account. However, for a period of time after a client first establishes an Advisory Account with us, it may be subject to a fee equal to a fixed dollar amount, which may differ from the fee range provided above. Additionally, certain clients may be charged or be subject to a flat fee or a tiered fee structure based upon the size of the account. Advisory Accounts may be subject to a higher advisory fee or additional charges or fees with respect to direct investments in Underlying Funds. We have agreed and may in the future agree to reduce or waive or change fees with respect to all or part of an Advisory Account or enter into different fee arrangements with respect to certain clients (including employees). Fees generally are payable quarterly in advance based upon the asset value of the Advisory Account as of the close of business on the last business day of the preceding calendar quarter. The fees payable with respect to each client generally will be based upon various relevant factors including, without limitation, the size of an Advisory Account and the type and amount of services provided to an Advisory Account (or based on a client’s prior agreement with us).

We generally are not entitled to receive any performance-based fees with respect to the Advisory Accounts other than as described in **Item 6, Item 10 and Item 11 below**. If an Advisory Account client invests in a Real Estate Fund, it will be required to pay to us and/or our affiliates the management fees and carried interest distributions charged at the Real Estate Fund level and, in addition, may be required to pay the advisory or other fees on its commitment amount as set forth above. If an Advisory Account client makes an initial equity commitment to CHCP Direct Investors after November 1, 2014 or is a non-founding client investor in Series B of CHC Elements, it generally will be subject to a carried interest or a performance-based allocation, as applicable, in accordance with the terms of the applicable governing and offering documents of each fund.

## **DEDUCTION OF MANAGEMENT AND ADVISORY FEES**

### Real Estate Funds

Management fees may be funded with capital contributions called from investors, through withholdings from distributions, or from a line of credit carried by such funds, consistent with each Real Estate Fund's governing agreements. Capital contributed by partners to pay the management fee generally will not be credited against or reduce their unfunded commitments and such amounts will be in addition to the capital commitments of partners.

### Access Funds

With respect to each applicable investor, management fees may be funded (as applicable based upon the terms of the Access Fund) by deducting such fees directly from that investor's capital account, with capital contributions called from that investor or by reducing distributions which would otherwise be made to that investor. In the event of a withdrawal by an investor other than as of the last calendar day of a calendar quarter, a *pro rata* portion of the management fee, based upon the actual number of days remaining in such quarter as of the date of withdrawal, will be refunded by us to the applicable Access Fund for credit to such investor's capital account. With respect to certain Access Funds (including CHC DIF), management fees payable by Class B investors generally will not be credited against or otherwise reduce an investor's unfunded commitment and, as a result, any such amounts would be in addition to the investor's capital commitment.

### Advisory Accounts

Advisory Account clients typically authorize and direct us to deduct (or otherwise cause the applicable custodian(s) to deduct) our fees directly from their custodial accounts. In certain cases, Advisory Account clients may be billed and responsible for paying fees directly to us within a certain period of time. We generally send invoices to our clients on at least a quarterly basis.

Agreements with Advisory Account clients generally do not have termination dates. Instead, such agreements typically may be terminated by us or the clients at any time upon at least 15 days' or 15 business days' advance written notice, as set forth in the applicable agreements. Fees may be prorated (i) with respect to withdrawals, on any date other than as of the end of a calendar quarter and (ii) with respect to contributions, on any date other than as of the beginning of a calendar quarter. In the event of termination of an advisory or consulting agreement, any unearned fees paid in advance generally will be refunded to the client (minus any account expenses and reserves for expenses).

## OTHER FEES AND EXPENSES

### General

In addition to the fees set forth above, clients generally bear all fees, costs and expenses associated with their investments and Advisory Accounts, including the types of fees, costs and expenses set forth below. To the extent requested or authorized in writing, Advisory Account clients may also be required to bear reasonable travel and other expenses incurred by us in connection with investment due diligence, negotiation or monitoring. We or an affiliate may from time to time elect to bear certain costs and expenses in our sole discretion.

We and our personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of clients that will not be subject to any management fee offset or otherwise shared with clients, investors and/or portfolio investments. For example, airline travel or hotel stays incurred as client expenses typically result in “miles” or “points” or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not *de minimis* or difficult to value, inure exclusively to us and/or such personnel (and not the clients, investors and/or portfolio companies) even though the cost of the underlying service is borne by clients, investors and/or portfolio companies.

### Underlying Manager Fees

In addition to our fees, each Underlying Manager generally imposes management or advisory fees and also may impose or receive performance-based fees or allocations based upon realized and unrealized appreciation in the value of the assets managed or advised by that Underlying Manager. Underlying Managers and affiliates thereof may be entitled to receive certain additional fees and compensation with respect to Underlying Funds or underlying portfolio investments of Underlying Funds (such as operating partner fees and expenses or director fees), which may or may not result in an offset of or reduction to the management fees payable by a Fund or client. Subject to certain conditions, a partner in a joint venture with a Real Estate Fund may be entitled to receive incentive-based compensation or carried interests (or other profit allocations) from or with respect to such joint venture or the underlying real estate property. These fees generally are borne, directly or indirectly, by our clients (including the applicable Funds). **See Item 6 below.**

### Fund Expenses

Subject to the terms set forth in its governing documents, each Fund generally bears or may bear, as applicable, (and reimburses us and our affiliates for) its allocable share (as determined by the applicable general partner in its discretion) of all costs, fees and expenses incurred in connection with or relating to the business, activities and operations of such Fund (and/or those of any special purpose, feeder or parallel investment vehicle) including, without limitation: (i) costs and expenses incurred in connection with the formation and organization of the Fund, its general partner, any parallel funds, alternative investment vehicles, feeder funds and/or subsidiaries related thereto and the offering of interests in the Fund (and any parallel investment vehicles, alternative investment vehicles, real estate investment trusts and/or feeder funds), (ii) expenses and costs related to the business, activities and operation of the Fund (and/or any special purpose or parallel investment vehicle or alternative investment vehicle), including tax and financial statement preparation costs and fees (including, without limitation, expenses related to the preparation of tax returns, tax estimates and Schedules K-1), governmental fees, taxes or charges levied against the Fund, any investment or income thereof, third party administrator fees, custodial fees, costs of communications with investors and ongoing legal, accounting, auditing, administration, appraisal, bookkeeping, consulting, service provider and other professional fees and expenses (including expenses and costs

associated with software related to all of these and other Fund expenses), including for litigation and preparation of financial statements and reports (including its allocable share of the costs of any investor portal); (iii) costs, expenses and charges incurred in connection with the investment and trading activities of the Fund and the management, monitoring, identification, evaluation, negotiation, structuring, due diligence, underwriting, development, acquisition, ownership, sale, valuation, hedging or financing of the Fund's investments or potential investments, including research expenses, brokerage and custodial fees and commissions, fees of financial advisors, third-party administrators, legal counsel, consultants, engineers, operating and joint venture partners, and any other professionals and third-parties retained by or on behalf of the Fund in connection with such activities and travel expenses such as air travel (including the cost of business or first class commercial airfare), car services, meals and hotels incurred in holding, developing, identifying, evaluating, negotiating or otherwise disposing of investments; (iv) premiums for and costs relating to insurance protecting the Fund, its general partner, us and other indemnified parties and any litigation costs of the Fund (including costs and expenses of D&O, errors, omissions, fidelity, crime, cybersecurity, business continuity, disaster recovery, general partner liability and other insurance coverage for such Fund, its general partner and us); (v) communication and reporting expenses, expenses and costs of any meetings of the investors and the advisory committee (including payments to our affiliates for certain charges, including but not limited to customary facilities, food and beverage, and other similar charges) and any distributions to investors, (vi) the costs of any litigation or other extraordinary events and indemnification obligations relating to the affairs of the Fund (including indemnified expenses incurred pursuant to the governing documents or indemnified expenses pursuant to other contractual arrangements), (vii) any and all fees and expenses related to third party research, publications, data and data services (including pricing services) including, without limitation, research provided by or from banks, counterparties, brokerage firms, Underlying Managers, consultants, third party valuation firms and/or other vendors and service providers (regardless of the mechanism used to pay for such research or services), expert matching services, news services, business and political analysis services, due diligence and investigative services, pricing feeds and a wide-range of other data including data about markets, counterparties, financial instruments, assets, properties companies, sectors, Underlying Managers, Underlying Funds, issuers, joint venture partners and other inputs into models and systems, (viii) expenses and costs incurred in connection with or relating to any regulatory, self-regulatory or legal filings required to be made with respect to the Fund or its activities (including, without limitation, Form D, CFTC and NFA exemptions, blue sky filing fees and Form PF) and all costs incurred by us and our affiliates in complying with laws and regulations and requirements that apply to us or our affiliates as a result of our or their services to the Fund and its assets, (ix) expenses associated with maintaining the Fund's legal existence, including directors' fees, administrators' fees, occupancy costs and other operating costs of entities that maintain their own offices in certain jurisdictions, (x) all fees and expenses associated with investments in the Underlying Funds, including, but not limited to, performance-based fees or allocations (or carried interests), management or advisory fees, investment-related expenses of the Underlying Funds, brokerage commissions, transaction expenses and other applicable fees and expenses charged by the Underlying Funds and Underlying Managers (including the Fund's allocable share of the fund expenses of any Underlying Fund), (xi) travel expenses and other expenses or costs incurred in connection with the business or investment activities of the Fund and the investment due diligence process (which may include the cost of first or business class travel, meals, car services, lodging (including luxury class accommodations), international data and roaming, entertainment and incidentals); and (xii) all expenses incurred in connection with any borrowing, indebtedness or credit facility utilized or incurred by such Fund. An Access Fund is required to bear its allocable share of any costs and expenses incurred in connection with industry and/or private fund manager conferences or seminars (including travel expenses), to the extent the primary purpose of such conferences is related to the identification of prospective Underlying Funds or Underlying Managers or the investment due diligence process. In addition, each of the Real Estate Funds, CHCP Direct Investors, CHC DIF and CHC Elements generally bears 100% of the expenses incurred in the formation and operation of any wholly-owned subsidiary of such fund (including any real estate investment trusts utilized by a Real Estate Fund to make investments). Subject to the terms and conditions of the applicable governing documents, a Fund may be required to bear or pay allocable compensation of our in-house attorneys and accountants (including our

employees) based upon time spent on Fund matters. Notwithstanding the foregoing, we or an affiliate may from time to time in our or its discretion elect to bear certain expenses or costs relating to or with respect to one or more of the Funds.

Expenses may be incurred by or relate to more than one our advisory clients. We allocate aggregate costs among the applicable clients (and, in certain cases, among us, our affiliates and applicable clients) in accordance with allocation policies and procedures which are reasonably designed to allocate expenses in a fair and equitable manner over time among such applicable clients. However, expense allocation determinations can involve potential conflicts of interest (e.g., an incentive to favor advisory clients that pay higher incentive fees or conflicts relating to different expense arrangements with certain clients). In general, we allocate expenses among applicable advisory clients on a *pro rata* basis based on assets under management or total amount invested or committed to invest (or the size of the investment made by each applicable client in the activity, entity or investment to which the expenses relate). We may, however, use other methods to allocate certain expenses among applicable clients if we deem another method to be more appropriate based upon the relative use of a product or service, the nature or source of the product or service, the relative benefits derived by applicable advisory clients from the product or service, or other relevant factors. Nevertheless, the portion of a common expense that we allocate to an advisory client for a particular product or service may not reflect the relative benefit derived by such client from that product or service in any particular instance. Our expense allocations often depend on inherently subjective determinations and, accordingly, expense allocations made by us in good faith generally will be binding and final on each advisory client.

Investors in Funds generally are required to bear out-of-pocket expenses and costs incurred in connection with investments and deals that are not ultimately completed or consummated. Typically, these expenses may include (i) legal, accounting, advisory, consulting or other third-party expenses in connection with making an investment that is not ultimately consummated, and any related travel and accommodation expenses (whether incurred by us or third parties), (ii) all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment that is not ultimately made, and (iii) any break-up fees, deposits, or down payments of cash or other property which are forfeited in connection with a proposed investment that is not ultimately made. Co-investors typically will bear their *pro rata* share of fees, costs and expenses related to the discovery, investigation, development, acquisition, due diligence or consummation, ownership, monitoring and disposition of their co-investments and may be required to pay their allocable share of fees, costs and expenses related to potential investments that are not consummated, such as break-up fees or broken deal expenses. Co-investors may not agree to pay or otherwise bear fees, costs and expenses relating to unconsummated investments or it may not otherwise be possible to allocate such expenses to co-investors (for example, co-investors may not bear such fees and expenses because they have not been identified as of the time such potential investment ceases to be pursued). In the event that one or more applicable co-investors do not bear any costs associated with unconsummated investments, such fees, expenses and costs will be borne by the applicable Fund. Investing in a Fund does not give investors any rights, entitlements or priority to co-investment opportunities, unless otherwise set forth in the applicable governing and offering documents. In the event that an Advisory Account is permitted to co-invest alongside an Access Fund in an Underlying Fund, such Advisory Account may be required to bear and pay for its allocable share of certain expenses incurred in connection with or with respect to such Underlying Fund after the date of its investment.

In the event that a client enters into a financial consulting agreement and/or family office services agreement with us or an affiliate pursuant to which we or an affiliate provides or will provide financial planning, consulting, family office and/or other non-advisory services, as applicable, to such client or an affiliate, such client may be required to pay separate fees to us or an affiliate as compensation for such non-advisory services and such fees will be exclusive of, and in addition to, the fees payable by such client under its applicable account documents.

The foregoing list is not intended to be exhaustive or complete with respect to any Fund and is qualified in its entirety by the applicable governing and offering documents of each Fund. Investors generally do not receive detailed information regarding specific expenses paid by the Funds.

#### Underlying Fund, Underlying Manager and Other Investment Vehicle Expenses

Clients bear, directly or indirectly through their investment in an Underlying Fund, other investment vehicle, subsidiary or joint venture (as applicable), their *pro rata* share of the offering, organizational and operating expenses of such Underlying Fund, other investment vehicle, subsidiary or joint venture, and expenses related to the investment of such assets, such as brokerage commissions (including soft dollar payments, if applicable), expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees, interest expenses, borrowing costs, transaction fees, fees payable to and expenses of joint venture partners and extraordinary expenses.

#### Custodial and Administration Fees

With respect to the Funds, custody and administration fees, if any, are charged separately by the custodian or administrator and are in addition to the fees payable to us or an affiliate pursuant to the applicable governing, account and/or offering documents. Advisory Account clients are responsible for their share of any fees or expenses charged by third-party administrators or custodians and these fees and expenses are in addition to the fees payable to us.

As described in **Item 12** below, we generally recommend that Advisory Account clients utilize the custodial, brokerage, clearing and other services of Pershing Advisor Solutions, a registered broker-dealer and affiliate of Pershing, L.L.C. (collectively, “Pershing”). As compensation for its services, Pershing generally will charge Advisory Account clients a flat rate custody-based fee (the “Pershing Custody Fee”) of 3.75 basis points on assets held in their custodial account(s) at Pershing. The Pershing Custody Fee includes trades executed through Pershing either directly or indirectly, but does not include foreign currency trades and certain other items that will be charged directly to clients on a per execution basis. The Pershing Custody Fee is in lieu of transaction-based brokerage commissions, does not vary based on the number or size of trades in client accounts, and does not include fees for trade away execution and services in connection with transactions effected through broker-dealers other than Pershing or its agents/affiliates. The Pershing Custody Fee is charged quarterly in advance and calculated based on the average value of the custodial account on the last day of the past three calendar month ends. The Pershing Custody Fee is deducted by Pershing directly from the custodial account of each applicable client and is in addition to the advisory fee charged by us. Additional fees and expenses will be incurred for transactions executed by a broker-dealer other than Pershing or its agents/affiliates, or if a custodian other than Pershing or its agents/affiliates is used. **See Item 12 below.**

#### Brokerage

Clients generally are responsible for and pay all brokerage and counterparty fees and expenses. For Advisory Account clients who open custodial account(s) at Pershing, the Pershing Custody Fee generally includes all U.S. trades executed through Pershing either directly or through the use of Underlying Managers. Additional fees and expenses will be incurred for transactions executed by a broker-dealer other than Pershing or its agents/affiliates. **See Item 12 below.**

#### **COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS**

Neither we nor any of our supervised persons accept compensation for the sale of securities or other investment products.

## ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As noted under **Item 5** above, we and/or certain of our affiliates receive performance-based compensation (including carried interest distributions) with respect to the Real Estate Funds, Class B investors in PE 2015, PE 2017 and PE 2019, Class B investors in CHC Elements, non-founding client investors and non-client investors in Series B of CHC Elements, certain investors in CHCP Direct Investors and non-client investors in CHC DIF (together with any syndicate investors co-investing alongside CHC DIF in an investment) (as described in **Item 5** above). We and/or one or more of our affiliates expect to receive such compensation from various other Funds and clients in the future. In addition, certain of the Underlying Funds and Underlying Managers charge performance-based fees or allocations, which generally are borne, directly or indirectly, by our clients. In addition, Crow Family Holdings has equity, profits or other interests or arrangements in or with certain Underlying Funds, Underlying Managers and/or their respective affiliates and investments by clients or the Access Funds in such Underlying Funds and/or Underlying Managers will indirectly result in additional revenues to Crow Family Holdings. With respect to Series B of CHC Elements, a portion of the performance compensation payable with respect thereto will be allocated to founding client investors (including Crow Family Holdings) and founding employees of Crow Holdings Capital. With respect to CHC DIF, all carried interest allocations borne by syndicate investors will be paid to CHC DIF and will be allocated to and among the general partner and the investors in CHC DIF (including Crow Family Holdings in its capacity as an investor in CHC DIF). As a result, investors in CHC DIF will share in the carried interest allocations payable by syndicate investors in respect of an investment. **See Item 10 and Item 11.**

Carried interest distributions and performance-based fees and compensation could motivate us and/or the Underlying Managers, as applicable, to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. The method of calculating the carried interest or performance allocations raises potential conflicts of interest with respect to the management and disposition of investments, including the sequence of dispositions. In addition, to the extent that performance-based fees and allocations are calculated on a basis that includes both realized and unrealized appreciation in portfolios based upon values assigned by us or an Underlying Manager (or an affiliate thereof), we or such Underlying Manager face a conflict of interest in valuing those portfolios. Certain of our individual employees, agents and affiliates (and employees, agents and affiliates of Underlying Managers) may be compensated to some extent based upon investment profits for which they are responsible and, accordingly, may face the same potential conflict. We attempt to address these conflicts through full and fair disclosure in the applicable governing, account and/or offering documents and/or this brochure and by monitoring Underlying Managers to detect any abuses.

As discussed in **Item 12**, investment opportunities are allocated in accordance with our investment allocation policies and procedures, taking into account the applicable provisions of the governing, account and/or offering documents of each applicable client.

In addition, in allocating investment opportunities, we may have an incentive to favor clients with a potential for performance-based compensation over clients with no potential for performance-based compensation. We are focused on monitoring the allocation of investment opportunities in such situations and endeavor to resolve any material conflict with respect to the allocation of investment opportunities. To reduce the effect of such incentives and conflicts, we have adopted written investment allocation policies pursuant to which we seek to allocate investment opportunities among applicable clients in a fair and equitable manner based upon various factors deemed relevant or appropriate by us or our affiliates. We generally prohibit the allocation of investment opportunities based solely on anticipated compensation or profits to us, our affiliates or their professionals. Each client also typically has its own investment guidelines, limitations, governing agreements, and focus areas that must be taken into account when making investment allocation determinations. **See Item 12.**

## ITEM 7: TYPES OF CLIENTS

### TYPES OF CLIENTS

We provide advisory services to various types of clients, including affiliated private pooled investment vehicles, foundations, endowments, trusts, estates, charitable organizations, corporations, other entities, high net worth individuals and families (including Crow Family Holdings and its affiliates), and employees.

### ACCOUNT REQUIREMENTS

#### Funds

In general, the minimum initial capital contribution or capital commitment, as applicable, required for an investor in a Fund is described in its offering documents. The general partner of each Fund has accepted and may accept lesser amounts in its discretion (subject to applicable law).

To invest in the Funds, each investor generally is required to be, among other things, an “accredited investor” and either a “qualified purchaser” or “knowledgeable employee,” as each such terms are defined in applicable U.S. securities laws.

#### Advisory Accounts

In general, our goal is for each client and/or its affiliates (other than employees) to ultimately have, in the aggregate, at least \$40 million in assets under our management, advisement or supervision. Advisory Account clients generally, among other things, (i) enter into account agreements with, and open custodial accounts at, Pershing (**see Item 12 below**), and (ii) sign investment advisory agreements that, among other things, set forth the nature and scope of our authority and the investment objections, guidelines and restrictions applicable to the Advisory Accounts. In addition, Advisory Account clients generally must meet certain net worth, net asset and/or other eligibility requirements imposed by various securities and commodities laws.



## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

#### Real Estate Funds

We generally seek to acquire a diversified portfolio of real estate and real estate assets within the investment objectives of each Real Estate Fund, including, without limitation, warehouses, retail centers, retail convenience store and gas station assets, multi-family housing, student housing, senior housing, office buildings, hotels, medical office buildings/hospitals, self-storage, manufactured housing, single family residential lot development and debt secured, directly or indirectly, thereby. Certain Real Estate Funds pursue and may pursue a single-strategy, such as small domestic real estate investments and/or self-storage. We evaluate the market throughout the investment period and deploy capital where we believe that the best opportunities can be found on a risk-adjusted basis. To the extent consistent with the investment objectives of a Real Estate Fund, we intend to primarily focus on sectors of real estate that historically have lower volatility and higher current income, such as retail, warehouse and multi-family.

With respect to the value-add diversified Real Estate Funds, we typically finance each asset separately on a non-recourse basis (subject to customary non-recourse carve-outs) in order to avoid cross-collateralization. This minimizes the possibility of a “mistake” in the portfolio creating a domino effect on other holdings within such Real Estate Fund. However, a separate guaranty of the debt or such non-recourse carve-outs is often required, which effectively cross-collateralizes all or a portion of the portfolio. We strive to maintain appropriate levels of leverage. Additionally, we may also place leverage on smaller assets using one or more portfolio loans in an attempt to obtain improved debt terms and increase financing availability.

Single product Real Estate Funds generally leverage their investments with non-recourse debt financing (subject to customary non-recourse carve outs) and obtain recourse debt financing in select situations and provide, or have a subsidiary provide, guarantees for such carve-outs. Because some single product Real Estate Funds intend to engage in portfolio financings and financing acquisitions where several investments are cross-collateralized, multiple investments in the portfolio will be subject to the risk of loss.

We seek to generate attractive risk-adjusted returns consistent with each Real Estate Fund’s investment objectives through the implementation of one or more investment strategies, including the following:

**Value Creation.** We target well-located properties with an in-place income stream and the opportunity to produce appreciation through the implementation of value creation tactics such as (i) increasing net operating income, (ii) redevelopment, (iii) asset repositioning, (iv) acquiring assets in recovering markets, and (v) buying below replacement cost.

**Development.** As the competition for income producing assets has increased, development projects in markets with strong job growth or in supply constrained sub-markets increasingly attract investor capital. We target development opportunities with strategic local operators.

***Negotiated Transactions.*** In a competitive investment environment, exploitation of a wide network of relationships is critical to placing capital effectively. We continually tap into our network of relationships to gain market knowledge and source transactions on a negotiated or limited competition basis.

***Flexibility.*** We have the depth of management and experience to react quickly to changes in the market cycle and capitalize on windows of opportunity in the real estate market.

#### Access Funds and Advisory Accounts

We intend to achieve the investment objectives of the Access Funds primarily by investing in, and/or allocating client assets to, Underlying Funds, Underlying Accounts, co-investments and other financial instruments. We also generally recommend that Advisory Account clients invest and/or allocate assets to one or more of the Funds and certain Underlying Funds and/or Underlying Accounts.

In selecting a new Underlying Manager or Underlying Fund, we generally consider various factors including, without limitation, current market conditions and opportunities, the Underlying Manager's historical performance across various time periods and market cycles, the Underlying Manager's reputation, experience and training, the amount of leverage employed by the Underlying Manager, the correlation of an Underlying Account or Underlying Fund with existing Underlying Accounts and/or Underlying Funds, the investment and risk management philosophy and policies of the Underlying Manager, the stability of the Underlying Manager, the composition of the investor base of an Underlying Fund and the service providers and/or consultants used by the Underlying Manager. The Underlying Managers also may be involved in a variety of strategies, including but not limited to, long/short equity, credit related, distressed investing, managed futures, arbitrage, relative value, short-biased, long only or long-biased, quantitative, volatility, global macro, reinsurance and fixed income. We and the Underlying Managers may invest through both long and short positions in an unlimited range of securities, other financial instruments, private investments and other assets throughout the world including, without limitation, equity, master limited partnerships, private equity, debt, bonds and other fixed-income securities, loans and loan participations, asset-backed securities, currencies, commodities, futures, forward contracts, warrants, options, swaps, reinsurance contracts and other instruments and other derivative instruments. We and the Underlying Managers also may employ leverage and engage in various hedging strategies.

We also may invest directly in securities, financial instruments, private investments and other assets. Direct investments may be made to, among other things, express our views regarding an attractive investment opportunity or to effect a desired hedge.

We consider various factors when making investment decisions including, without limitation, appropriate diversification and correlation among current and prospective investments, liquidity terms that are appropriate for the strategy, appropriate fee structures and appropriate alignment of interests between our client, us and/or Underlying Managers.

The investment strategies summarized above are not intended to be comprehensive. With respect to each of the Funds, the information set forth above is qualified in its entirety by the information set forth in its applicable offering and governing documents. For more information regarding the investment strategies and processes of each Fund, please refer to the applicable offering and governing documents.

## CERTAIN RISK FACTORS

*There can be no assurance that clients will achieve their investment objectives or that investments will be profitable. Our investment strategies involve a substantial degree of risk, including risk of complete loss. Nothing in this brochure is intended to imply, and no one is or will be authorized to represent, that our investment strategies are low risk or risk free. Our investment strategies are appropriate only for sophisticated persons who fully understand and are capable of bearing the risks of investment. The various risks outlined below are not the only risks associated with our investment strategies and processes and will not necessarily apply to each client or investor. With respect to the Funds, the following risks are qualified in their entirety by the risks set forth in the applicable offering documents.*

### Real Estate Funds

**Risks of Real Estate Ownership.** There can be no assurance that the operations of the Real Estate Funds will be profitable or that cash from operations will be available for distribution to limited partners. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of real property interests. The marketability and value of the real property interests will depend on many factors beyond our control, including, without limitation: (i) changes in general or local economic conditions and conditions of domestic and international financial markets; (ii) changes in supply of or demand for competing properties in an area, including competition for real property interests; (iii) changes in interest rates; (iv) the promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety; (v) unavailability of mortgage funds which may render the construction, leasing, sale or refinancing of a property difficult; (vi) the financial condition of tenants, buyers and sellers of properties; (vii) changes in real estate tax rates and other operating expenses; (viii) the imposition of rent controls; (ix) energy and supply shortages; (x) various uninsured or uninsurable risks; and (xi) acts of God, natural disasters and uninsurable losses. Since investments in real estate generally are not liquid, there is no assurance that there will be a ready market for real property interests. Competition for investments may have the effect of increasing costs, thereby reducing investment returns to the Real Estate Funds.

**Unforeseen Acquisition Results.** Acquisitions made by the Real Estate Funds may not prove to be successful. The Real Estate Funds may encounter unanticipated difficulties and expenditures relating to any acquired properties, including contingent liabilities. The Real Estate Funds may never realize the anticipated benefits of an acquisition, which could adversely affect their ability to dispose of properties or make distributions to limited partners.

**Possible Lack of Diversification.** While diversification is an objective of the Real Estate Funds, there is no assurance as to the degree of diversification that will actually be achieved in the Real Estate Funds' investments either by geographic region or property type. The Real Estate Funds may participate in a limited number of investments and, as a consequence, the aggregate return of the Real Estate Funds may be substantially adversely affected by the unfavorable performance of even a single investment. If we make 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 Real Estate Funds having an unintended long-term investment and reduced diversification.

**Foreign Investments.** Subject to the terms and conditions set forth in the applicable offering memorandum, we make investments in foreign countries. With any investment in a foreign country, there exists the risk of adverse political developments, including nationalization, confiscation without fair compensation or war, economic problems and particular legal or regulatory risks. Furthermore, any fluctuation in currency exchange rates will affect the value of investments in foreign securities or other assets and any restrictions imposed to prevent capital flight may make it difficult or impossible to exchange or repatriate foreign currency. In addition, laws and regulations of foreign countries may impose restrictions or approvals that would not exist in the United States and may require financing and structuring alternatives that differ significantly from those customarily used in the United States. Foreign countries also may impose taxes on the Real Estate Funds and/or the limited partners.

**Risks of Developing Property.** Property development activities include, among others, the risks that we may abandon development projects after expending resources, construction costs of a project may exceed original estimates, occupancy rates and rents at a newly completed property may be less than anticipated and the construction and leasing of a property may not be completed on schedule. Development activities are also subject to risks relating to the inability to obtain, or delays in obtaining, all necessary zoning, land-use building, occupancy and other required government permits and authorizations.

**Investment in Troubled Assets.** We may make substantial investments in nonperforming or other troubled assets that involve a degree of financial risk and there can be no assurance that a Real Estate Fund's internal rate of return and/or cash multiple of invested capital objectives will be realized or that there will be any return of capital. Furthermore, investments in properties operating in workout modes or under Chapter 11 of the Bankruptcy Code may, in certain circumstances, be subject to additional potential liabilities that could exceed the value of the investor's original investment, including equitable subordination and/or disallowance of claims or lender liability. In addition, under certain circumstances, payments to the Real Estate Funds and distributions by the Real Estate Funds to the limited partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment under applicable law.

**Leverage of Investments.** Subject to the applicable fund documents, we leverage a Real Estate Fund's investments individually or as a portfolio (or a pool of assets in the portfolio) with non-recourse debt financing, subject to customary non-recourse carve-outs. Certain Real Estate Funds also obtain or utilize recourse debt financing on an unsecured basis or in select situations on secured financings and provide, or have subsidiaries provide, guarantees in such situations. Although the use of leverage may enhance returns and increase the number of investments that can be made, it also may 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. Use of leverage at the portfolio level also exposes investments to the performance of other assets with which it is crossed. 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 a Real Estate Fund's equity investment in such real estate investment could be significantly reduced or even eliminated. Borrowings under a proposed credit facility may be secured, among other things, by the interests of the limited partners in the Real Estate Funds and by their obligations to make capital contributions. Also, because certain of the single product Real Estate Funds generally intend to engage in portfolio financings and financing acquisitions where several investments are cross-collateralized, multiple investments will be subject to the risk of loss. As a result, a Real Estate Fund could lose its interests in performing investments in the event such investments are cross-collateralized with poorly performing or non-performing investments. Any inability of the Real Estate Funds to repay such borrowings could enable a lender to take action against the limited partners.

***Illiquidity of Investments.*** Real estate investments made by the Real Estate Funds are illiquid. 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. In addition, we may invest in securities of privately held companies for which there is no public market. The Real Estate Funds will generally not be able to sell these securities unless such securities are registered under applicable securities laws or unless an exemption from such registration requirements is available. In some cases, the Real Estate Funds may be prohibited by contract from selling securities for a period of time. There is also the risk that the Real Estate Funds will be unable to dispose of such securities at attractive prices or otherwise execute a successful exit strategy.

***Third-Party Involvement.*** A Real Estate Fund may co-invest through partnerships, joint ventures or other entities with third parties that may have economic or business or other interests or objectives that are different than or conflict with those of such Real Estate Fund and its investors. Such co-investments and joint ventures may involve risks in connection with such third-party involvement, including the possibility that a third party co-investor or joint venture partner may have financial difficulties, resulting in a negative impact on the investment, may have economic or business interests or objectives that are different than or conflict with those of the Real Estate Funds, or may be in a position to take (or block) actions contrary to the Real Estate Funds' investment objectives. In order to offset increased costs associated with any such joint venture, affiliates of a Real Estate General Partner may receive fees from such third parties where such affiliates function as the manager of any such joint venture. See **Item 11**.

***Service Providers and Joint Ventures.*** We, the Funds, the general partner entities and our employees may from time to time engage or retain, or cause the companies in which a Fund or client makes investments to engage, retain or otherwise transact with, service providers and joint venture partners in connection with the operations, activities and business of a Fund or one or more of its investments. Certain service providers, joint venture partners or their affiliates (including lenders, bankers and investment and commercial banking firms) may also provide services to, serve as joint venture partners of or have business, financial, personal or other relationships or arrangements with other advisory clients, Crow Family Holdings, TCR, CHI, MCM, certain of our senior employees and/or certain of our affiliates. In addition, one or more of a Fund's service providers or joint venture partners may be investors in another Fund and/or sources of investment opportunities for one or more Funds. Certain of our employees and our affiliates have or may have ownership or financial or other interests in certain service providers and/or joint venture partners to a Fund. These and other factors may influence us and our affiliates in determining whether or not to select or engage or recommend such a service provider or joint venture partner for a Fund or any investment. Notwithstanding the foregoing, investment transactions for a Fund that require the use of one or more service providers generally will be allocated to service providers on the basis of our judgment as to best execution, the evaluation of which may include, among other considerations, such service provider's provision of certain investment-related services and research that we believe to be of benefit to such Fund or other advisory clients.

We expect to establish and manage various funds that will acquire and recapitalize certain real estate properties and assets that were developed or will be developed and owned by our affiliates, including TCR and CHI. TCR, CHI and their respective affiliates are preferred developers with respect to certain of the Real Estate Funds.

In certain circumstances, service providers or their affiliates may charge different rates or have different arrangements for services provided to us, the general partner of a Fund, Crow Family Holdings, TCR, CHI, MCM or their affiliates as compared to service provided to advisory clients and their investments, which may result in more favorable rates or arrangements than those payable by the advisory clients or portfolio investments.

**Loans by the Real Estate Funds.** In connection with seeking investment opportunities, certain Real Estate Funds make one or more loans to investments. Any such loan made by a Real Estate Fund involves the risk of loss of the entire amount of such loan. Moreover, it is possible that any contemplated follow-on investment with respect to an investment may not occur, limiting such Real Estate Fund's ability to share in future appreciation with respect to such investment. In addition, by making such loans, a Real Estate Fund may be subject to various laws and regulations applicable to lenders and the holding of such loans could potentially subject such Real Estate Fund to "lender liability" risks.

**Credit Facilities.** The Real Estate Funds have entered into and may in the future enter into credit facilities with one or more lenders in order to, among other things, finance the acquisition of investments. Such credit facilities contain a number of covenants that, among other things, might restrict the ability of a Real Estate Fund and any subsidiary to acquire or dispose of investments, incur additional indebtedness, make cash distributions, make capital calls to partners, amend certain documents, such as the partnership agreement, or otherwise restrict the activities of a Real Estate Fund without the consent of the lenders. Economic conditions could result in higher interest rates, which could increase debt service requirements on variable rate debt and could reduce the amount of cash available for various fund purposes; result in lenders' ability to make capital calls to partners and/or result in an exercise of lender's remedies against the collateral securing any credit facility.

#### Access Funds and Advisory Accounts

**General Economic and Market Conditions.** The success of our activities will be affected by general economic and market conditions, such as changes in interest rates, availability of credit, inflation rates, economic uncertainty, commodity shortages/prices, relative changes in currency valuations, changes in laws, trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors and others may affect the level and volatility of securities prices and the liquidity of our clients', the Underlying Accounts' and the Underlying Funds' investments. Volatility and/or illiquidity could impair our clients', the Underlying Accounts' and the Underlying Funds' profitability or result in losses. Our clients, the Underlying Accounts and Underlying Funds could incur material losses even if we and Underlying Managers react quickly to difficult market conditions, and there can be no assurance that our clients, the Underlying Accounts and the Underlying Funds will not suffer material losses and other adverse effects from broad and rapid changes in economic and market conditions in the future. Investors should realize that markets for the investments in which our clients, the Underlying Accounts and the Underlying Funds seek to invest can correlate strongly with each other at times or in ways that are difficult for us and the Underlying Managers to predict. Even a well-analyzed approach may not protect our clients, the Underlying Accounts and the Underlying Funds from significant losses under certain market conditions. No guarantee or representation is made that our or the Underlying Managers' investment programs will be successful.

**Potential for Fraud.** Although we intend to conduct due diligence evaluations and investigations on all prospective Underlying Funds, Underlying Managers and other investments, there is a risk that we will be subject to fraud. Recent discoveries of fraud in the banking and financial services industry highlight the seriousness of this issue. The scope and long-term nature of such frauds is a testament to how difficult fraud is to detect and prevent. There is no assurance we will be able to prevent all types of fraud by parties with whom we and our clients transact business.

**Multiple Levels of Expense.** We and the Underlying Managers impose management/advisory fees and other administrative fees and expenses. In addition, many Underlying Managers impose performance-based fees or allocations on realized and unrealized appreciation in the value of client assets. If an Advisory Account client (other than an individual retirement account) invests in a Real Estate Fund, it will be required to pay to us and/or our affiliates, in addition to the fees otherwise applicable to the Advisory Account, the management fees and carried interest distributions charged at the Real Estate Fund level. This results in greater expense and less return on investment than if such fees and expenses were not charged. In addition, performance-based allocations or fees could give Underlying Managers an incentive to make investment decisions that are more risky or speculative than they might otherwise have made without such arrangements. The multiple levels of fees and expenses will reduce overall profitability.

**Valuation Risks.** We generally expect to value investments and assets in Advisory Accounts based upon valuations of underlying investments and other information provided by Underlying Managers, custodians and other third-parties. We may not have sufficient information in order to be able to confirm or review or contest the accuracy of valuation information and data provided by Underlying Managers and other third-parties. Furthermore, valuation information received from Underlying Managers and other third-parties may be estimates only, and such valuations generally will be used to calculate the net asset value and management fee accruals (to the extent applicable) in respect of client accounts to the extent that current audited information is not available. Such valuations may be subject to later adjustment based on valuation information available at that time, including, without limitation, as a result of year-end audit adjustments.

We generally expect to rely on the valuation information most recently provided by an Underlying Manager or other third party to us and any other factors deemed relevant by us at the time of such valuation. Such determination may be materially inaccurate, including because the information available to us was insufficient, inaccurate or out of date. It is not expected that we will make adjustments to correct such determinations to reflect information that becomes available to us at a later date, although we may make such adjustments in our sole discretion.

In certain situations, we may value assets internally instead of relying on one or more third parties as described above. To the extent that we value securities and assets directly, we generally attempt to determine or estimate the value of such investments at their fair value in accordance with our valuation policies and procedures (as amended from time to time). We may face actual or potential conflicts of interest with respect to such valuations as they may affect our compensation. We may obtain independent appraisals and valuations of certain assets and investments at a client's expense.

**Unlimited Range of Strategies.** Our investment activities are not limited to the strategies or types of strategies described herein. Rather, we may pursue any investment strategy determined by us to be appropriate from time to time, in our sole discretion, without any notice to investors or clients (in accordance with the applicable offering and governing documents). This unlimited range of potential investments may include substantial investments in strategies not previously pursued by us and with which we and our personnel have limited experience. New strategies, assets and markets are likely to involve material and as-yet unanticipated risks. Furthermore, since our clients invest a substantial portion of their assets in the Underlying Funds and the Underlying Accounts, our clients' performance depends to a significant degree on the strategies and activities of the Underlying Funds, Underlying Accounts and Underlying Managers (which will change from time to time). There can be no assurance that any of the investment strategies pursued by or on behalf of our clients will be successful.

**Limited Diversification and/or Risk Management Failures.** Our clients' portfolios could become significantly concentrated in a limited number of Underlying Funds, Underlying Accounts, issuers, types of financial instruments, assets, industries, sectors, strategies, countries, or geographic regions, and any such concentration of risk may increase losses. Limited diversification could expose clients to losses disproportionate to market movements in general.

**Equity Risks.** The value of equity and equity-linked securities will vary with the performance of issuers and movements in the equity markets generally and for specific sectors. Not all positions can or will be hedged by us and/or the Underlying Managers.

**Private Equity Investments.** Investments in private portfolio companies and other private equity assets are generally illiquid and involve a significant degree of financial and/or business risk. Portfolio companies may be highly leveraged and therefore may be more sensitive to adverse business or financial developments or economic factors. The profitability and survival of portfolio companies may depend on various factors including: their ability to access sufficient sources of debt and/or financing at attractive rates, competition, changing business or economic conditions or other developments, stage of development, management team, ability to generate cash flow to meet expenses and working capital requirements, make principal and interest payments on indebtedness, or make other required payments on commitments.

**Distressed Securities.** We and the Underlying Managers may invest in obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems and "below investment-grade" debt securities, including companies involved in covenant or payment default or in bankruptcy or other reorganization and liquidation proceedings. It may be difficult to obtain information as to the true condition of such issuers and adverse interest rate movements and changes in the general economic climate or particular industries may have an inordinate impact on distressed securities. Additionally, such investments also may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims.

**Master Limited Partnership Risk.** An investment in a master limited partnership ("MLP") unit involves risks that differ from those associated with investments in similar equity securities, such as common stock of a corporation. Holders of MLP units usually have the rights typically afforded to limited partners in a partnership, and as such have limited control and voting rights on matters affecting the partnership. In addition, there is the risk that an MLP could be, contrary to its intention, taxed as a corporation, resulting in decreased returns from such MLP. Further, conflicts of interest may exist between common unit holders, subordinated unit holders and the general partner of the MLP, including those arising from incentive distribution payments.

**Energy Sector Risks.** Companies operating in the energy sector may be affected by fluctuations in the prices of energy commodities, including, for example, natural gas, natural gas liquids, crude oil and coal, in the short- and long-term. Fluctuations in energy commodity prices would directly impact companies that own such energy commodities and could indirectly impact companies that engage in transportation, storage, processing, distribution or marketing of such energy commodities. Fluctuations in energy commodity prices can result from changes in general economic conditions or political circumstances (especially of key energy-consuming countries), market conditions, weather patterns, domestic production levels, volume of imports, energy conservation, domestic and foreign governmental regulation, international politics, policies of the Organization of Petroleum Exporting Countries ("OPEC"), taxation, tariffs, and the availability and costs of local, intrastate and interstate transportation methods.



**Natural Resource Investments.** Certain Access Funds may invest in portfolio companies or Underlying Funds that invest in oil and natural gas, timber or other energy or natural resource interests or in oil and gas operating companies. Oil, natural gas, timber and other natural resource investments involve risks in addition to those associated with investments in operating entities, including risks associated with natural resource prices and markets.

**Derivatives.** We and the Underlying Managers use and may in the future use derivative instruments, including (among others), options (including speculative positions such as buying and writing call options and put options on either a covered or an uncovered basis), futures, forward contracts, repurchase agreements, reverse repurchase agreements and many different types of swaps involving payments based on a wide range of risks.

In many cases, derivatives provide the economic equivalent of leverage by magnifying the potential gain or loss from an investment in much the same way that incurring indebtedness would. Many derivatives provide exposure to potential gain or loss from a change in the market price of a financial instrument (or a basket or index) or other event or circumstance in a notional amount that greatly exceeds the amount of cash or assets required to establish or maintain the derivative contract. Accordingly, relatively small price movements in the underlying financial instruments or other events or circumstances may result in immediate and substantial losses. In some cases, our clients', the Underlying Accounts' and the Underlying Funds' exposure under a derivative contract will be limited to the amount invested (for example, when we or an Underlying Manager buy a call option). In other cases, the derivative contract will create an open-ended obligation (for example, when we or an Underlying Manager write a call option). Many derivatives, particularly those negotiated over-the-counter, are substantially illiquid or could become illiquid under certain market conditions. As a result, it may be difficult or impossible to determine the fair value of our clients' or an Underlying Account's or Underlying Fund's interest in such contracts. Many derivative contracts involve exposure to the credit risk of the counterparty, because our clients, the Underlying Accounts and the Underlying Funds acquire no direct interest in the underlying financial instrument, but instead depend on the counterparty's ability to perform under the contract. Further, if and when a client, an Underlying Account or an Underlying Fund takes economic exposure through a derivative, it generally will not have any voting rights and may not be able to pursue legal remedies that would be available if it invested directly in the underlying financial instrument.

Many derivatives also involve substantial legal risk and uncertainty, because the terms of the contract may be difficult to draft, apply, interpret and enforce, particularly in the context of unforeseen market conditions or events. In many cases, the counterparty has discretion (either pursuant to the express terms of the contract or in practice) to interpret the contract, make required calculations and demand or withhold payments in the manner most favorable to the counterparty and most unfavorable to our clients, the Underlying Accounts or the Underlying Funds. An adverse interpretation or calculation under one derivative contract could trigger cross-defaults with other contracts and could have a materially adverse effect on our clients', Underlying Accounts' or Underlying Funds' liquidity and performance. Any dispute concerning a derivative contract could be expensive and time consuming to resolve, particularly given the potential for complex and novel legal issues and the involvement of multiple legal jurisdictions. Even a favorable resolution could come too late to prevent cross-defaults, trading losses and material liquidity problems.

**High-Yield Instruments.** High yield instruments are generally not exchange-traded and, as a result, these instruments trade in the over-the-counter marketplace, which are less transparent than the exchange-traded marketplace. High-yield instruments face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt instruments tend to reflect individual corporate developments to a greater extent than do higher-rated instruments which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated instruments. Companies that issue such instruments are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such instruments and may have an adverse impact on the value of such instruments. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default of such instruments.

**Futures Contracts and Related Options.** The use of futures (i.e., commodity futures) and options on futures involves certain special and significant risks. Futures and options transactions involve costs and may result in losses. Certain risks arise because of the possibility of imperfect correlations between movements in the prices of futures and options and movements in the prices of the underlying securities, securities index, currencies or other commodities or of the securities or currencies in a portfolio which are the subject of the hedge (to the extent the client or an Underlying Manager uses futures and options for hedging purposes). The successful use of futures and options further depends on our and the Underlying Managers' ability to forecast market or interest rate movements correctly. Other risks arise from potential inability to close out futures or options positions, and there can be no assurance that a liquid secondary market will exist for any futures contract or option at a particular time. The use of futures and options for purposes other than hedging is regarded as speculative. Certain regulatory requirements may also limit our or the Underlying Managers' ability to engage in futures and options transactions.

**Forward Contracts.** Forward contracts and options thereon, unlike futures contracts, generally are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in forward markets due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which we would otherwise recommend, to the possible detriment of our clients, the Underlying Accounts and the Underlying Funds. Market illiquidity or disruption could result in significant losses.

**Options.** We and/or the Underlying Managers utilize options. Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Although an option buyer's risk is limited to the amount of the original investment for the purchase of the option, an investment in an option may be subject to greater fluctuation than is an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying securities may fall below the exercise price. The ability to trade in or exercise options may be restricted in the event that trading in the underlying securities interest becomes restricted.

Unlike exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of over-the-counter options (options not traded on exchanges) are generally established through negotiation with the other party to the option contract. While this type of arrangement allows greater flexibility to tailor an option to certain needs, over-the-counter options generally involve greater credit risk than exchange-traded options, which are guaranteed by the clearing organization of the exchanges where they are traded.

**Swap Agreements.** Swap agreements and options on swap agreements are individually negotiated and can be structured to include exposure to a variety of different types of investments, asset classes or market factors. An Underlying Fund, for instance, may enter into swap agreements with respect to interest rates, credit defaults, currencies, securities, indexes of securities and other assets or other measures of risk or return. Depending on their structure, swap agreements may increase or decrease such Underlying Fund's exposure to, for example, long-term or short-term interest rates (in the United States or abroad), non-U.S. currency values, credit spreads, corporate borrowing rates, or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names.

Swap agreements tend to shift our clients', the Underlying Accounts' and the Underlying Funds' investment exposures from one type of investment to another. For example, if an Underlying Fund agrees to exchange payments in dollars for payments in non-U.S. currency, the swap agreement would tend to decrease such Underlying Fund's exposure to U.S. interest rates and increase its exposure to non-U.S. currency and interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of our clients', the Underlying Accounts' and the Underlying Funds' portfolios. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from our clients, the Underlying Accounts and the Underlying Funds. If a swap agreement calls for payments by a client, an Underlying Account or an Underlying Fund, the client, Underlying Account or Underlying Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by our clients, the Underlying Accounts and the Underlying Funds.

Whether our clients', the Underlying Accounts' and the Underlying Funds' use of swap agreements or swaptions will be successful will depend on our and Underlying Managers' ability to select appropriate transactions for our clients, the Underlying Accounts and the Underlying Funds. Swap transactions may be highly illiquid and may increase or decrease the volatility of our clients', the Underlying Accounts' and the Underlying Funds' portfolios. Moreover, our clients', the Underlying Accounts' and the Underlying Funds' bear the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. Our clients, the Underlying Accounts and the Underlying Funds will also bear the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure of our clients, the Underlying Accounts and the Underlying Funds to post or maintain required collateral. Many swap markets are relatively new and still developing. It is possible that developments in the swap markets, including potential government regulation, could adversely affect our clients', the Underlying Accounts' and the Underlying Funds' ability to terminate existing swap transactions or to realize amounts to be received under such transactions.

**Repurchase and Reverse Repurchase Agreements.** When a client, an Underlying Account or an Underlying Fund enters into a repurchase agreement, it “sells” securities to a broker-dealer or financial institution, and agrees to repurchase such securities on a mutually agreed date for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase transaction, a client, an Underlying Account or an Underlying Fund “buys” securities issued from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the client, Underlying Account or Underlying Fund, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements involve certain risks. For example, if the seller of securities to the client, Underlying Account or Underlying Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the client, Underlying Account or Underlying Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the client’s, the Underlying Fund’s or the Underlying Manager’s ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the client, Underlying Account or Underlying Fund may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the client, Underlying Account or Underlying Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.

**Hedging Transactions.** We and the Underlying Managers utilize financial instruments both for investment purposes and for risk management (hedging) purposes. The success of the Underlying Accounts’ and the Underlying Funds’ hedging strategies will depend, in part, upon our and the Underlying Managers’ ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of our clients’, the Underlying Accounts’ and the Underlying Funds’ hedging strategies will also be subject to our and Underlying Managers’ ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While we and/or the Underlying Managers may enter into hedging transactions in an attempt to reduce risk, such transactions may result in a poorer overall performance for our clients, the Underlying Accounts and the Underlying Funds than if they had not engaged in such hedging transactions. For a variety of reasons, we or Underlying Managers may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent our clients, the Underlying Accounts and the Underlying Funds from achieving the intended hedge or expose the clients, the Underlying Accounts and the Underlying Funds to risk of loss. Neither we nor the underlying funds will be required to hedge any particular risk in connection with a particular transaction or their portfolios generally.

**Non-U.S. Investments.** Investing in the financial instruments of companies (and, from time to time, governments) outside of the United States involves certain considerations not usually associated with investing in financial instruments of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains or other income, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict investment opportunities. Non-U.S. jurisdictions also may impose taxes on a client and/or the partners in a Fund. If a Fund invests in a private foreign investment company (“PFIC”) for U.S. income tax purposes and does not make a qualifying electing fund election with respect to such PFIC, such Fund and its partners may be subject to certain adverse tax consequences.

**Currency Exposure.** We and the Underlying Managers invest and may in the future invest in the securities of non-U.S. issuers and other instruments denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than U.S. dollars and engage in speculative trading in currencies themselves. In many cases, investments in currencies are made through financial instruments that involve embedded leverage, magnifying the risks associated with such investments. Fluctuations in the relative values of currencies could cause material losses for our clients.

**Currency Hedging.** While interests in the Access Funds and interests in many of the Underlying Funds are denominated in U.S. dollars, the underlying transactions of the Access Funds or the Underlying Funds may be denominated in various non-U.S. currencies. Accordingly, the value of an Access Fund’s or an Underlying Fund’s investments will be affected favorably or unfavorably by fluctuations in currency exchange rates. We and/or the Underlying Managers may seek to hedge the foreign currency exposure of our clients and/or the Underlying Funds. There can be no assurance that any currency hedging or investment activities will be effective or successful, and fluctuations in the relative values of currencies could cause material losses for our clients and/or the Underlying Funds. Furthermore, there can be no assurance that we or the Underlying Funds’ will attempt to hedge any overall currency exposures.

To the extent that we and the Underlying Funds enter into currency forward contracts (agreements to exchange one currency for another at a future date), these contracts involve a risk of loss if an Access Fund or an Underlying Fund fails to predict accurately the direction of currency exchange rates. In addition, forward contracts are not guaranteed by an exchange or clearinghouse. There can be no assurance that investments suitable for currency shifts will be available at the time we or an Underlying Manager wishes to use them or will be able to be liquidated when we or the Underlying Manager wishes to do so.

**Corporate Debt.** We and the Underlying Managers may invest in bonds, notes, debentures or other debt instruments issued by corporations. These instruments may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. We and the Underlying Managers may invest in corporate debt instruments that have experienced or are contemplated to experience ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. Credit ratings evaluate the safety of the principal and interest payments, not the market value risk of lower-rated instruments. Such ratings also do not reflect macroeconomic or systemic risk, including the risk of increased illiquidity in the credit markets. It is also possible that a rating agency might not change its rating of a particular issue on a timely basis and, as a result, outstanding ratings may not reflect the issuer's current credit standing. Conversely, rating agencies may re-rate an instrument which could cause substantial loss as the ratings are downgraded. Our clients', the Underlying Accounts' and the Underlying Funds' investments may experience significant credit rating volatility. In addition, our clients, Underlying Accounts and Underlying Funds may be paid interest in kind in connection with their investments in corporate debt and related financial instruments (*e.g.*, the principal owed to a client, an Underlying Account or an Underlying Fund in connection with a debt investment may be increased by the amount of interest due on such debt investment). Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, our clients, the Underlying Accounts and the Underlying Funds may experience substantial losses.

**Short Selling.** Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows clients to profit from a decline in the price of a particular security to the extent that such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which our clients, the Underlying Accounts and the Underlying Funds engage in short sales will depend upon our and the Underlying Managers' investment strategies and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to our clients, the Underlying Accounts or the Underlying Funds of buying those securities to cover the short position. There can be no assurance that our clients, the Underlying Accounts and the Underlying Funds will be able to maintain the ability to borrow securities sold short. In such cases, a client, an Underlying Account or an Underlying Fund can be "bought in" (*i.e.*, forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the security necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

**Illiquid Instruments.** Many investments made or recommended by us and the Underlying Managers (including interests in Underlying Funds) will be illiquid and will not provide current income. Investments may be restricted, at any given time, as to their transferability under U.S. securities laws and we and/or the Underlying Managers may be prohibited by contract from selling certain investments, as applicable, for a period of time or otherwise be restricted from disposing of such investments. In some cases, a substantial length of time may be required in order to liquidate investments. Consequently, there is a significant risk that we and/or the Underlying Managers will be unable to sell or otherwise dispose of their investments at attractive prices, or will otherwise be unable to complete any exit strategy with respect to their investments. These risks can be further exacerbated by changes in national or international economic or market conditions and changes in laws, regulations, fiscal policies or political conditions of the United States and other jurisdictions. Securities of small and medium capitalization companies may be thinly traded, resulting in decreased liquidity.

**Default and Credit Risks.** Debt obligations of corporate and government issuers involve the risk that the obligor either cannot or will not fulfill its obligations under the terms of the financial instrument. We, the Underlying Managers, our clients, the Underlying Accounts and the Underlying Funds will assume credit risk to their brokers, custodians and other counterparties in connection with brokerage arrangements, derivatives and other contractual relationships. In evaluating credit risk, we, the Underlying Managers, our clients, the Underlying Accounts and the Underlying Funds will often be dependent upon information provided by the obligor, which may be materially inaccurate or fraudulent. Any actual default, or any circumstance that increases the possibility of such a default, could have a material adverse effect on our clients, the Underlying Accounts and the Underlying Funds.

**Interest Rate Risks.** Debt securities and various other assets, as well as our clients', the Underlying Accounts' and the Underlying Funds' borrowings, will subject such persons to risks associated with movements in interest rates.

**Leverage Risks.** The Funds and the Underlying Funds generally have the power to borrow funds and employ leverage as and when they deem appropriate, including, without limitation, entering into credit facilities with respect to the Funds. The use of such leverage can, in certain circumstances, increase the volatility of client performance and the risk of loss.

**Counterparty Risks.** Our clients may be exposed to the credit risk of counterparties with which, or the brokers, dealers, custodians and exchanges through which, we or they deal in connection with the investment of assets, whether engaged in exchange-traded or privately negotiated transactions.

**Co-Investments.** Our clients may co-invest (directly or indirectly) with third parties through joint ventures or other arrangements. Such investments may include risks in connection with such third party involvement resulting in negative impact on such investment, including the possibility that a third party co-venturer may have financial difficulties, may have economic or business interests or goals that are inconsistent with those of our clients or may be in a position to take (or block) action in a manner contrary to the investment objectives of our clients. We may permit certain Advisory Accounts to co-invest alongside one or more of the Funds in Underlying Funds, which may present actual or potential conflicts of interest.

**Investments in Technology-Related Companies.** We and/or Underlying Managers may acquire positions in the securities of technology-related companies. "Technology-related companies" generally means companies engaged in offering, using, producing, selling, distributing or developing products, processes or services that are expected to provide or benefit significantly from technological advances and improvements. Investments in technology-related companies are subject to a number of risks. For example, competition among technology companies may result in increasingly aggressive pricing of their products and services, which may affect the profitability of such companies. In addition, technology-related companies (i) generally have limited operating histories, narrower product lines and smaller market shares than other businesses, which may render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns; (ii) are more likely to depend on the management talents and efforts of a small group of people, and as a result, the death, disability, resignation or termination of one or more of these people could have an adverse impact on the operations of any technology-related company; (iii) generally have less predictable operating results; (iv) may from time to time be parties to litigation; (v) may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence; (vi) may require substantial additional capital to support their operations, finance expansion or maintain their competitive position; and (vii) can be significantly affected by short product cycles, falling prices and profits, competition from market entrants and general economic conditions.

**Healthcare – Industry Risks.** We and/or the Underlying Managers invest and may invest in healthcare-related companies and in companies operating in the healthcare industry. Many healthcare-related companies are smaller and less seasoned than companies in other sectors. Healthcare-related companies may also be strongly affected by scientific or technological developments and their products may quickly become obsolete. Healthcare-related companies offer products and services that are subject to governmental regulation and may be adversely affected by changes in governmental policies or laws. A number of legislative proposals concerning healthcare have been considered and/or enacted by the U.S. Congress in recent years. These span a wide range of topics, including cost control, national health insurance (including the Affordable Care Act (“ACA”)), incentives for compensation in the provision of health care services, tax incentives and penalties related to health care insurance premiums, and promotion of prepaid healthcare plans. We cannot predict what proposals will be enacted or what effect such proposals may have on healthcare-related companies. In addition, the ACA has helped to re-shape the healthcare industry. Court decisions regarding the ACA could also positively or negatively affect the healthcare industry at large.

**Reinsurance Risks.** We and various Underlying Managers and/or Underlying Funds pursue reinsurance strategies which underwrite and/or invest in reinsurance contracts and other investments that are exposed to a variety of natural and man-made insurance risk exposures, such as storms, earthquakes, fires, floods, aviation or marine accidents, crop insurance and acts of terror, among other risk exposures. In exchange for bearing these risks, reinsurance strategies typically receive premiums from counterparties on a periodic basis. There can be no assurance that Underlying Managers or reinsurance companies will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on such positions. The performance of the reinsurance portfolio and the prices of reinsurance investments may be volatile and a variety of factors that are inherently difficult or impossible to predict, such as domestic or international economic or political developments and man-made or natural disasters, may significantly affect the results of reinsurance activities and the value of a Fund’s or an Underlying Fund’s investments. If an Underlying Fund or a subsidiary thereof is considered a “private foreign investment company” for U.S. federal income tax purposes, a U.S. person who owns directly or indirectly any shares or other interests in such Underlying Fund or subsidiary thereof will be subject to certain adverse U.S. federal income tax consequences.

Series B of CHC Elements previously made investments in certain high risk reinsurance contracts and similar reinsurance-related investments. While such high-risk reinsurance-related investments offer the opportunity for high absolute returns, they also involve a high degree of financial risk including, without limitation, the risk of total or substantial losses. Accordingly, each of Series B’s investments are speculative, and CHC Elements and the investors in Series B could lose all or part of the principal or interest, or an amount in excess of any premium collected or specified margin deposit, if any, with respect to such investments upon the occurrence of a catastrophe or other event. No guarantee or representation is being made that Series B will achieve its investment objective or that an investment in Series B will be profitable. The performance of Series B and its investments is likely to be volatile and a variety of factors that are inherently difficult or impossible to predict, such as domestic or international economic or political developments and man-made or natural disasters, will significantly affect the value of Series B’s investments. Series B is no longer being offered or made available to new investors and we expect to liquidate Series B and CHC Elements as soon as reasonably practicable.



**Side Pockets.** With respect to CHCP Value Fund, L.P. and certain of our other Funds, the applicable general partner has designated or may in the future designate certain assets or securities as “side pocket investments” to be maintained in a separate “side pocket accounts” on the books and records of the applicable Fund until otherwise determined by the general partner. Capital invested in a side pocketed investment generally is not available for withdrawal or distribution until the side pocket investment is liquidated or the general partner determines otherwise. With respect to CHC Elements and CHCP Value Fund, L.P., certain reinsurance investments are held in side pocket accounts from time to time for various reasons, including, without limitation, in an attempt to segregate certain annual holdbacks that an Underlying Manager may apply or otherwise utilize with respect to certain underlying investments (which generally relate to capital that an Underlying Manager has reserved for known or potential losses or for adverse development of claims). In such situations, we generally will attempt to match such holdbacks to the applicable participating investors through the use of the side pocket mechanism.

#### Other General Risks

**Cyber Security Breaches and Identity Theft.** We, our clients, the Funds and our service providers depend on information technology systems and, notwithstanding the diligence that we may perform on our or our clients’ service providers, we may not be in a position to verify the risks or reliability of such information technology systems. We, our clients, the Funds and our service providers are subject to risks associated with a breach in cybersecurity. “Cybersecurity” is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. Our information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although we have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, we may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in our operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm our reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect its business and financial performance. Such damage or interruptions to information technology systems may cause losses to our clients or individual investors by interfering with our operations and/or the operations of the Funds. The Funds or our other clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose us or the Funds to civil, legal or regulatory liability as well as regulatory inquiry and/or action, and the Funds may be required to indemnify us against any losses incurred in connection therewith. Cybersecurity issues and risks are currently a major focus area of the SEC and other regulatory authorities.

**Transactions with Investors and Co-Investors.** We and our affiliates from time to time engage in transactions with actual or prospective investors in a Fund, advisory clients and co-investors that entail business benefits to such investors or clients. Such transactions may be entered into prior to, or coincident with, an investor's admission to a Fund (or commitment to co-invest) or during the term of their investment. The nature of such transactions can be diverse and may include benefits relating to one or more advisory clients and their respective investments or portfolio companies. Examples include the ability to co-invest alongside advisory clients, sales of companies or assets to investors or clients, loans to co-investors or joint venture partners by us or our affiliates. An advisory client may sell investments to any third party, including investors in a Fund or any advisory clients.

**Tax Law Developments.** In December 2017, a significant reform of the U.S. Internal Revenue Code of 1986, as amended (the "Tax Code"), was signed into law (the "Tax Act"). There are significant uncertainties regarding the interpretation and application of the Tax Act. Among the numerous changes included in the Tax Act are (i) a reduction to the corporate income tax rate, (ii) new limitations on the utilization of net operating losses, (iii) partial limitations on the deductibility of business interest expense, (iv) a partial shift of the U.S. taxation of multinational corporations from a tax on worldwide income to a territorial system (along with a transitional rule which taxes certain historic accumulated earnings and rules which prevent tax planning strategies which shift profits to lowtax jurisdictions), and (v) a suspension of certain miscellaneous itemized deductions, including deductions for investment fees and expenses, until 2026. While additional guidance on the Tax Act is expected, the timing, scope and content of such guidance are not known. Changes to the Tax Code made by the Tax Act and any further changes in tax laws or interpretation of such laws may be adverse to advisory clients and/or investors in a Fund.

The Tax Act subjects allocations of income and gain in respect of entitlements to carried interest and gain on the sales of profits interests in certain partnerships realized in taxable years beginning after 2017 to higher rates of U.S. federal income tax than under prior law in certain circumstances. Significant uncertainties remain regarding the application of the provisions of the Tax Act that affect the taxation of carried interest. Enactment of this legislation could cause our investment professionals to incur a material increase in their tax liability with respect to their entitlement to carried interest. In addition, other countries could clarify or modify their tax treatment of carried interest. This might make it more difficult for us to incentivize, attract and retain these professionals, which may have an adverse effect on our ability to achieve the investment objectives of our clients. In addition, this can create a conflict of interest as our tax position may differ from the tax positions of our clients and/or investors in the Funds and therefore, these rules may have an additional impact on the investment decisions made by our clients, including with respect to decisions on the timing and structure of dispositions and whether to pursue other realization events during the holding period of an investment such as non-liquidating distributions. For example, the Tax Act gives us an incentive to cause a client to hold an investment for longer than three years in order to obtain lower tax rates on carried interest gains even if there are attractive realization opportunities earlier than three years.

**Presentation of Performance.** For most clients, especially those that are pooled investment vehicles, net performance is calculated on an aggregate basis after taking into account all fees and expenses actually borne by investors in the client as a group, but does not take into account any taxes borne or deemed to be borne by investors (such as taxes applicable to an investor because of its domicile). With respect to any particular investment vehicle, differences in timing of an investor's investment to the vehicle and the economic and other terms applicable to certain investors therein may increase or decrease the net performance information realized by such investors and, accordingly, the actual net performance information of a particular investor may differ from the net performance information disclosed to such investors.

**THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS AND CONFLICTS THAT MAY BE ASSOCIATED WITH OUR OR THE UNDERLYING MANAGERS' INVESTMENT STRATEGIES OR THAT**

**ARE APPLICABLE TO OUR CLIENTS AND/OR THE FUNDS. PROSPECTIVE CLIENTS AND INVESTORS SHOULD READ THIS BROCHURE AND ALL OTHER APPLICABLE DISCLOSURE MATERIALS IN THEIR ENTIRETY BEFORE MAKING ANY INVESTMENT DECISIONS.**

## **ITEM 9: DISCIPLINARY INFORMATION**

Not applicable.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **MATERIAL RELATIONSHIPS WITH AFFILIATED AND OTHER PERSONS**

We are affiliated and share office space, service providers and certain employees or supervised persons, as applicable, with (i) Crow Family Holdings, a family office established to own and manage the wealth and direct the investments of, and provide various other services to, the Trammell Crow family and affiliated entities (“Crow Family Holdings”); (ii) Maple Capital Management, L.L.C., a private investment management firm and SEC-registered investment adviser (“MCM”); (iii) Crow Holdings Industrial, an industrial real estate company (“CHI”); and (iv) Trammell Crow Residential Company (“TCR”), a multifamily real estate company (“TCR”). We have or may have material relationships or interactions or business dealings with one or more affiliates of Crow Family Holdings (including MCM, TCR and CHI). As noted herein, a majority of the ownership interests in each of the general partner entities and Crow Holdings Capital is ultimately owned by Crow Family Holdings. Crow Family Holdings is currently a passive equity owner and is not involved in the day-to-day management of the general partner entities or Crow Holdings Capital. Nevertheless, as an owner, Crow Family Holdings has the authority to take certain actions with respect to us and the general partners, including the authority to replace or remove their management teams. In addition, Crow Family Holdings is a significant investor in many of the Funds and currently is a significant client of Crow Holdings Capital. A significant portion of our regulatory assets under management currently consists of assets of Crow Family Holdings and the Crow family. Nevertheless, we generally intend to keep our business activities and operations separate and independent from the business activities and operations of Crow Family Holdings and its subsidiaries (including CHI, MCM and TCR) and have established procedures and guidelines in an attempt to segregate our activities from the activities of Crow Family Holdings, TCR, CHI, MCM and various affiliates thereof. Notwithstanding the foregoing, the activities of Crow Family Holdings, MCM, CHI, TCR, their respective affiliates and the Crow family (including the significant ownership interests in real estate assets managed or held by Crow Family Holdings or the ownership interest of Crow Family Holdings in various entities that may transact business with one or more of the Funds) may present actual or potential conflicts of interest, including, but not limited to, the conflicts discussed in this brochure.

As noted above, TCR, a multifamily real estate company, and CHI, an industrial real estate company, are wholly-owned subsidiaries of Crow Family Holdings and are affiliated with us. Similar to Crow Holdings Capital, a majority of the ownership interests in MCM is ultimately owned by Crow Family Holdings. Crow Holdings Capital’s, MCM’s, TCR’s and CHI’s relationship to Crow Family Holdings (and each other) and their respective activities in the real estate industry may present potential or actual conflicts of interest from time to time (including the development of directly competitive assets and competition for tenants or assets). Persons, properties and entities in which a Fund may have an ownership, financial or other interest may be in direct or indirect competition with properties, persons and entities in which other Funds, advisory clients Crow Family Holdings, TCR, CHI, MCM, advisory clients of MCM or any of their respective affiliates have an ownership, financial or other interest, and the other Funds, Crow Family Holdings, MCM, TCR, CHI and their respective affiliates may be subject to conflicts of interest with respect to the selling, leasing or financing of properties owned by a

Fund or owned by entities in which such Fund has an ownership interest. While our business activities and operations generally are conducted separately and independently from the business activities and operations of Crow Family Holdings, TCR, MCM and CHI, certain of our officers, employees and supervised persons serve or may serve as officers, directors, employees and/or supervised persons of (or otherwise provide services to) MCM, Crow Family Holdings and certain TCR and CHI entities. Accordingly, there may be conflicts of interest between such individuals' duties as officers or employees or agents of us and such individuals' duties as officers, directors, employees or agents of Crow Family Holdings, MCM and/or such TCR and CHI entities. MCM relies on us (and we rely on MCM) to maintain certain required books and records relating to dual supervised persons of both Crow Holdings Capital and MCM including, without limitation, personal trading records required by Rule 204-2(a)(13) under the Advisers Act. Certain of our supervised persons are subject to the compliance policies and procedures of MCM when performing its regulated activities in addition to our policies and procedures.

The BTH Fund has entered into a pipeline access agreement with TCR, pursuant to which the BTH Fund has priority access to each development opportunity identified by TCR that meets certain requirements for as long as the BTH Fund has available capital. The BTH Fund also has entered into and expects in the future to enter into joint ventures with TCR and various TCR entities with respect to identified investment opportunities, pursuant to which TCR acts or will act as developer and will be entitled to receive development fees and general contractor fees (for projects where TCR serves as general contractor) or construction management fees and quality assurance fees (for projects where a third party general contractor is engaged) and, if certain hurdles and conditions are met, certain incentive-based compensation from the applicable joint venture entity. We face conflicts of interest in making decisions for the BTH Fund on assets proposed by TCR pursuant to the pipeline access agreement.

We may enter into, or cause one or more of our clients or affiliates to enter into, or otherwise engage in other business dealings, transactions, arrangements or interactions with or alongside, TCR, CHI, MCM, Crow Family Holdings and their respective affiliates (including TCR and CHI entities) from time to time and such business dealings, transactions or interactions may present actual and potential conflicts of interest. Certain of our clients and investors in funds managed, sponsored or advised by us are or may be clients of MCM or investors in funds managed by MCM. In particular, certain Real Estate Funds will acquire and recapitalize real estate properties and assets that were originally owned and developed by our affiliates, including TCR and CHI. TCR, CHI and certain of their affiliates will or may act as preferred developers with respect to real estate properties or developments owned or acquired by the Real Estate Funds.

In addition to the foregoing, certain of our affiliates act as general partners of the Funds (as described below).

Crow Family Holdings currently owns minority equity interests in certain general partners and promote partners of private investment funds (collectively, the "RR Funds") managed by RR Advisors, LLC, a private investment management firm owned and controlled by Robert J. Raymond ("RR Advisors"). Among other things, Crow Family Holdings is entitled to receive a portion of the performance-based fees and/or allocations that are paid or allocated by the RR Funds to the applicable promote partners. In addition, an affiliate of Crow Family Holdings provides certain administrative and back-office services to the general partners of the RR Funds, pursuant to a services agreement. Neither we nor any of our affiliates are responsible for providing investment advisory services with respect to the RR Funds. As a result of the foregoing, we may, due to our affiliation with Crow Family Holdings, have an incentive to recommend investments in the RR Funds to our clients and may face other actual and potential conflicts of interest with respect thereto. We will attempt to manage these conflicts in accordance with fiduciary requirements and applicable law (which may include disclosure and consent).

We make and recommend investments in private pooled investment vehicles and registered investment companies managed by AQR Capital Management, an investment management firm in which David Kabiller, a member of the Board of Directors of Crow Family Holdings, is a founding principal. In light of our affiliation and relationship with Crow Family Holdings, we may be directly or indirectly incentivized to make or recommend investments in entities affiliated with AQR Capital Management.

Pursuant to an agreement between us and Comerica Bank & Trust, N.A. ("Comerica"), we may from time to time introduce or refer certain of our clients to Comerica for the purpose of providing a variety of professional fiduciary services with respect to such clients and for which Comerica may, at the option of each such client, act as fiduciary or agent and perform functions related thereto. We will not receive any fees or other compensation from Comerica in connection with this arrangement.

We have entered into an agreement with Standish Management, LLC ("Standish") to provide accounting, administrative and various other services with respect to the Real Estate Funds and investment vehicles related thereto (including real estate investment trusts), and fees for such services are paid by the applicable Real Estate Funds. Standish leases office space and certain equipment from Crow Family Holdings. In addition, Standish performs or provides certain services for or to Crow Family Holdings and us, and the cost of such services are borne by, and allocated between Crow Family Holdings and us, as applicable. Standish also provides (and may in the future provide) accounting, administrative and other services to MCM, CHI joint ventures and other affiliated entities. We have also engaged and may in the future engage or retain various other service providers or vendors to provide various administrative and other services to us in respect of advisory clients (including services designed or intended to assist us in providing advisory and other services to a client). In connection with such services, a service provider or vendor may have access to or otherwise be in possession of non-public personal information regarding clients and investors and other confidential information.

We cause and may cause our clients to engage in transactions or business dealings with or make or recommend investments in entities or persons to which we or an affiliate lease or provide office space or with which we or an affiliate have material business or other relationships, arrangements or interactions.

The Real Estate Funds, Crow Holdings Capital – Real Estate or affiliates thereof may form or enter into joint ventures with third parties in certain instances to acquire investments. In order to offset increased costs associated with any such joint venture, affiliates of the general partner of a Real Estate Fund may receive fees from such third parties where such affiliates function as the manager of any such joint venture. Moreover, if certain hurdles and conditions are met, a joint venture partner often will be entitled to receive incentive-based compensation or carried interests from or with respect to such joint venture.

We, the general partners of the Real Estate Funds and our affiliates from time to time engage, or cause companies in which a Real Estate Fund or other vehicle makes investments to engage, service providers and joint venture partners in connection with the operations of such Real Estate Fund or vehicle or its investments. Certain service providers or joint venture partners of a Real Estate Fund or other vehicle are also service providers or joint venture partners to or of other Real Estate Funds, Crow Family Holdings, advisory clients and/or Crow Holdings Capital – Real Estate or any of their affiliates.

#### **RELATED SERVICE PROVIDERS**

Both Crow Holdings Capital and Crow Family Holdings provide various administrative and support services to one another

and MCM and its affiliates, and certain of our employees, officers, supervised persons and affiliates provide (or may in the future provide) services to, or serve (or may in the future serve) in varying capacities with respect to, TCR, CHI, MCM, Crow Family Holdings or affiliates thereof. In particular, the Chief Executive Officer of Crow Family Holdings also is a vice president of Crow Holdings Capital and MCM and is involved in our business and activities in his capacity as an officer of Crow Holdings Capital. The administrative and support services provided by Crow Family Holdings to us, TCR, MCM and CHI include, among other things, maintaining office facilities, furnishing the services of certain personnel on a part-time basis, and furnishing certain administrative services and office supplies. The administrative and support services provided by us to Crow Family Holdings, TCR, CHI, MCM and/or certain of their affiliates include, among other things, furnishing the services of certain personnel on a part-time basis.

Notwithstanding the foregoing, all decisions, recommendations, consents and other determinations (including all investment advisory decisions made with respect to our investment advisory clients) will be made exclusively by us in accordance with the terms of the applicable investment advisory or other agreements, and not by Crow Family Holdings, TCR, CHI, MCM or any of their affiliates.

We or an affiliate have entered into (and may in the future enter into) an agreement with MapleMark Bank to provide a subscription line of credit, credit facility, lending, banking and other services on behalf of or with respect to one or more of the Funds and certain of our senior employees, Crow Family Holdings, certain of their affiliates, and certain of our advisory clients. Certain of our advisory clients are investors in MapleMark Bank. As a result, we may have an incentive to select or recommend MapleMark Bank to provide subscription line, banking and other services on behalf of our advisory clients.

#### **RECEIPT OF COMPENSATION AND OTHER BENEFITS**

We manage or advise client accounts that allocate assets to and/or make investments in Underlying Funds, Underlying Accounts and Underlying Managers through various means. In addition, many Advisory Account clients invest in the Access Funds and may invest in one or more Real Estate Funds, which are managed, sponsored and operated by us or an affiliate. No additional management fee generally will be charged by or payable to us or an affiliate with respect to Advisory Account clients at the Access Fund level (although such clients generally will be responsible for their allocable share of the fund expenses of such Access Funds (including fees and expenses charged by Underlying Funds and Underlying Managers in and with which the Access Funds invest)) and we generally are not entitled to receive any performance-based compensation with respect to any Access Fund other than CHCP Direct Investors, PE 2015, PE 2017, PE 2019, CHC DIF and CHC Elements. In addition, certain Advisory Account clients from time to time make direct investments in Underlying Funds and we may receive additional or higher fees or additional compensation with respect to such investments. In the event that an Advisory Account client terminates its advisory agreement or applicable consulting agreement, its interest in any Access Fund may be converted into a class of interest that is subject to management fees charged and payable at the Access Fund level. If an Advisory Account client invests in a Real Estate Fund, it generally would be required to pay to us or an affiliate (and otherwise would be subject to) management fees and carried interest allocations at the Real Estate Fund level and, in addition, it may be required to pay to us separate fees on such commitment amount (pursuant to the applicable advisory or other agreement with us). As a result of these additional fees and carried interest distributions, we have a financial incentive to recommend investments in CHCP Direct Investors, CHC Elements, PE 2015, PE 2017, PE 2019, CHC DIF and the Real Estate Funds. **See Item 5.**

Our interests and the interests of our personnel and affiliates may create potential conflicts in the selection or recommendation of investments, Underlying Funds and Underlying Managers for client accounts. We make determinations regarding which investments, Underlying Funds and Underlying Managers to make available or recommend to clients in a

manner we believe to be consistent with our fiduciary duties and the investment processes summarized in **Item 8**. We, our affiliates or our advisory clients may derive ancillary benefits from certain decisions or recommendations made or transactions entered into in respect of or with certain investments, Underlying Funds and Underlying Managers. It is expected that Crow Family Holdings, TCR, CHI, MCM, joint venture partners, our affiliates and persons or entities with which we or they have business, financial, family and other relationships (including advisory clients) will or may directly or indirectly receive various forms of compensation, payments, remuneration, investment activity, services and/or other benefits with respect to a Fund and/or its investments or from certain investments (including investments made or recommended by us on behalf of or with respect to clients), Underlying Funds and Underlying Managers to which our clients allocate assets or make investments, or may have interests in such investments, Underlying Funds and Underlying Managers or their businesses and/or provide products and services to them for compensation or other benefits. The amount of such compensation, payments, remuneration, investment activity, services or other benefits to Crow Family Holdings, TCR, CHI, MCM and such other persons or entities (including affiliates, service providers, advisory clients and family members) may be greater if we select or recommend certain investments, Underlying Funds and Underlying Managers than it would otherwise have been had other investments, Underlying Funds or Underlying Managers been selected or recommended that might also have been appropriate for client accounts. Certain of our officers and employees may serve as trustees for one or more of our advisory clients or other third parties.

We act as investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the fiduciary standards imposed upon us as a matter of law. We will face potential conflicts in making determinations as to whether client accounts should invest in or withdraw funds from Underlying Funds, Underlying Managers and other investments with which we, advisory clients and/or any of our or their respective affiliates have business, financial, personal or other relationships or affiliations. For example, Crow Family Holdings, its affiliates and advisory clients have equity, profits or other interests in various entities, client investments, Underlying Funds or Underlying Managers (or the general partners or managers or sponsors thereof). Payments to Crow Family Holdings, TCR, CHI, MCM and affiliates thereof and applicable advisory clients may increase as the amount of assets managed by such Underlying Managers increase. Therefore, investment by clients in Underlying Funds and/or with Underlying Managers or in other investments or entities where Crow Family Holdings, TCR, CHI, MCM or advisory clients or affiliates thereof have a fee and/or profit sharing arrangement or other interest in the equity or profits of such Underlying Managers or investment may result in additional revenues to Crow Family Holdings, TCR, CHI, MCM, their affiliates or advisory clients.

We also may cause (or otherwise recommend) clients to enter into or otherwise engage in transactions or arrangements with persons or entities with which or to which we, our affiliates or certain our advisory clients (or their respective affiliates) have material or significant business, financial, personal or other relationships. The relationship we, Crow Family Holdings, TCR, CHI, MCM, their respective affiliates, client accounts or other accounts (or affiliates thereof) have with Underlying Managers or other persons or entities also may result in us directly or indirectly being incentivized to increase client investments with such Underlying Managers or in Underlying Funds or other investments or to maintain investments with such Underlying Managers or in Underlying Funds or other investments. We will attempt to manage these conflicts in accordance with our applicable fiduciary requirements and applicable law (which may include disclosure and consent).

#### **COMMODITY POOL OPERATOR, COMMODITY TRADING ADVISER, FUTURES COMMISSION MERCHANT REGISTRATION**

We currently are registered with the Commodity Futures Trading Commission (“CFTC”) as a commodity pool operator (“CPO”) and commodity trading advisor (“CTA”), and certain of our management persons and employees currently are registered with the CFTC as our Associated Persons. We and our Associated Persons are members of the National Futures Association. However, we operate and may in the future operate as though we were exempt from such registration with

respect to various pools and clients, and certain of our affiliates currently are exempt from such registration as CPOs and CTAs, pursuant to one or more exemptions set forth under the Commodity Exchange Act and in applicable CFTC rules and regulations including, without limitation, CFTC Rule 4.13(a)(3), CFTC Rule 4.14(a)(8) and CFTC No-Action Letter No. 12-38. Moreover, we have claimed and may in the future claim relief with respect to CHCP Value Fund, L.P., CHCP Value Fund (Offshore), L.P., CHC Encore Fund, L.P. and other applicable clients from certain disclosure, reporting and recordkeeping requirements generally applicable to CFTC-registered CPOs and CTAs pursuant to CFTC Rule 4.7, which is only available to (i) registered CPOs that offer or sell participations in a pool solely to investors that are “qualified eligible persons” in an offering that is exempt from registration under the Securities Act pursuant to Section 4(a)(2) or Regulation S thereunder and (ii) registered CTAs whose clients are “qualified eligible persons.”

## **OTHER ACTIVITIES AND AFFILIATIONS**

From time to time, certain of our employees and affiliates may serve as directors and officers of, and provide advice or services to, privately held or publicly traded companies in which our clients invest, and such employees may be required to make decisions that consider the best interests of such companies. In certain situations, conflicts of interest could arise between such individual’s duties as our officer or employee and his or her duties as a director or officer of such other company. Clients should be aware that the receipt of non-public information by our related persons regarding these companies could preclude us from effecting discretionary transactions on behalf of clients in certain securities of these issues.

In addition, we from time to time engage third-parties to provide certain consulting and strategic advisory services with respect to us and/or our affiliates. In consideration of such services, we provide or may provide office space, administrative support and other benefits to such persons.

## **AFFILIATED GENERAL PARTNERS**

Certain of our affiliates serve as special purpose general partners of the Funds. Each of Crow Holdings Realty Advisors IV, L.P., Crow Holdings Realty Advisors V, L.P., Crow Holdings Realty Advisors VI, L.P., Crow Holdings Realty Advisors VII, L.P., Crow Holdings Realty Advisors VIII, L.P., Crow Holdings Retail Advisors I, L.P., Daniel Island Investment Partners G.P., L.L.C., Fund VII Managers, L.L.C., Fund VIII Managers, L.L.C., Crow Holdings Self-Storage Advisors, L.P., CH Multi-Family BTH Advisors, L.P., and Crow Holdings Retail Advisors II, L.P. (the “Real Estate General Partners”), serves as the sole general partner of one or more of the Real Estate Funds, and each of Crow Holdings Value Managers, L.L.C., CHCP Global Securities GP, L.L.C., CHCP Value Managers Offshore, Inc., CHCP Private Equity 2011 GP, L.L.C., CHC Private Equity GP, L.L.C., CHCP Direct Investors GP, L.L.C., CHC Elements Fund GP, L.L.C. and CHC Direct Investment Fund GP, L.L.C. (the “Access General Partners” and, together with the Real Estate General Partners, the “General Partners”), serves as the sole general partner of one or more of the Access Funds. With respect to each of the Funds, we have been appointed, retained and engaged as sole investment manager to provide investment advisory, management, administrative and/or other services with respect to such Fund.



## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **CODE OF ETHICS**

We have adopted and implemented a code of ethics, which sets forth standards of business conduct for our supervised persons. Our code of ethics is designed to educate supervised persons about our philosophy regarding ethics and professionalism, emphasize our fiduciary duties to clients, encourage supervised persons to comply with applicable laws, prevent the misuse of material non-public information, the circulation of rumors and other forms of market abuse and address material conflicts of interest that arise from personal trading by access persons. Subject to the limitations of the code of ethics, access persons may buy and sell securities or other investments for their personal accounts, including investments in the Funds, and may take positions that are the same as, different from, or made at different times than, positions taken directly or indirectly for client accounts. We maintain a list of companies/issuers with respect to which a determination has been made that it is prudent to restrict personal trading activity by certain of our supervised persons (the "Restricted Trading List"). Our code of ethics prohibits applicable supervised persons from trading in securities included on the Restricted Trading List without the prior approval of the Chief Compliance Officer. All access persons must also provide copies of, or otherwise direct their brokers or custodians to supply to our compliance team, (i) brokerage and/or custodial account statements (at least monthly or quarterly, at the same time they are sent to the access person) and (ii) duplicate copies of trade confirmations within 30 days after the applicable transaction. We also maintain certain policies and procedures designed to prevent supervised persons from misusing material non-public information and to address certain actual and potential conflicts of interest that may arise when supervised persons accept, provide, offer or give gifts or entertainment events. We have adopted a political contributions policy to facilitate compliance with rules regarding the political activities of registered investment advisers doing business with government entities (referred to as "pay to play" rules). We will furnish a copy of our code of ethics to clients and investors upon request.

MCM coordinates with us and we coordinate with MCM regarding certain compliance-related matters applicable to our supervised persons who are also supervised persons of MCM.

### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS; OTHER CONFLICTS OF INTEREST**

We recommend and make investments in Underlying Funds, properties and other issuers and assets (i) where we, Crow Family Holdings, TCR, CHI, MCM, certain advisory clients and/or their respective affiliates (including directors of Crow Family Holdings) have economic, business, personal, financial or other interests in or relationships with such Underlying Funds, real estate properties, assets, issuers and/or the general partners, sponsors or managers thereof, (ii) to which we, Crow Family Holdings, TCR, CHI, MCM, advisory clients and/or certain of their affiliates provide or lease office space or services, or (iii) from which we, Crow Family Holdings, TCR, CHI, MCM, certain advisory clients, the Crow family and/or certain of their respective affiliates receive services and products or other items of value. We may also invest and recommend investments in investment funds and other issuers, sponsors, managers and entities established, managed, sponsored or advised by us, advisory clients, persons or entities with which we or our affiliates have material business, economic, personal or other relationships or any affiliates of such persons. If an Advisory Account client invests in a Fund or another investment fund or portfolio company or asset established, managed, sponsored, advised or controlled by us, advisory clients, Crow Family Holdings, TCR, CHI, MCM or our or their respective affiliates, we may have potentially conflicting loyalties and responsibilities regarding the client and such other investment fund, portfolio company or asset, or an affiliate and certain other conflicts of interest may be inherent in the situation. For example, if we invest Advisory Account assets (or recommend that a client invest) in a Fund, we will be obligated, in connection with making investment

decisions for such Fund, to consider the investment and tax objectives of the Fund and its investors as a whole, rather than the investment, tax or other objectives of the Advisory Account client or any single or particular group of investors. We will effect these transactions in accordance with fiduciary requirements and applicable law (which may include disclosure and consent).

Various other actual and potential conflicts of interest exist (or may exist) among us, the General Partners, their principals, employees and agents, Crow Family Holdings, TCR, CHI, MCM, the Crow family, each of their respective affiliates and one or more of our advisory clients. If any matter arises that we determine constitutes or may constitute a material conflict of interest, we may take such actions as we determine in good faith may be necessary or appropriate to ameliorate or otherwise address or mitigate the conflict, including, without limitation, consulting with or seeking the approval of the client, the applicable advisory committee of a Fund or an independent third party with respect to such conflict. There can be no assurance that we will be able to resolve all conflicts of interest in a manner that is favorable to the applicable client(s).

### **CROSS AND PRINCIPAL TRANSACTIONS**

To the extent permitted by applicable law, we, acting on behalf of our client accounts, may enter into transactions in securities, financial instruments, properties and other assets with ourselves or our affiliates, and may cause client accounts to engage in principal and cross transactions. We may face conflicts of interest that could influence our decision to engage in such transactions for client accounts. Principal transactions may occur if we, on behalf of our client accounts, engage in a transaction in securities or other instruments with ourselves or an affiliate acting as principal. We may earn compensation or receive benefits in connection with these transactions. For example, due to the significant ownership interest currently held by Crow Family Holdings and/or its or our affiliates in each of the Funds, transactions between Advisory Account clients and such Funds may be deemed to be principal transactions under Section 206(3) of the Advisers Act. Cross transactions may occur if we cause a client account to buy securities or other investments from, or sell securities or other investments to, another client account or the account of one of our affiliates. We may have conflicting loyalties and responsibilities to the parties in such transactions, and have developed policies and procedures in relation to such transactions and conflicts. We will review each of the foregoing transactions and take such steps as we deem necessary or appropriate to ensure that the terms of transactions are fair and reasonable, including, without limitation, seeking the approval of the client (or a duly appointed independent representative of such client) or the advisory committee of a Fund with respect to such principal transaction. We will effect these transactions in accordance with fiduciary requirements and applicable law (which may include disclosure and consent).

### **VALUATIONS**

The fair value of all Real Estate Fund investments generally is established quarterly in accordance with our internal valuation policies and procedures. With respect to certain Real Estate Funds, an independent valuation firm has been engaged to conduct periodic appraisals of the properties owned by such Real Estate Funds. Such independent valuation firm will value investments utilizing its knowledge of conditions in the markets where the investments are located or will select and supervise third party appraisal firms to do the same, in each case pursuant to the terms and procedures set forth in the applicable governing documents.

With respect to Crow Holdings Capital – Investment Partners, we generally expect to value investments owned by advisory clients based upon valuation and other information provided by or received from Underlying Managers and/or other third-parties (including counterparties, administrators or other advisory clients) (*i.e.*, we are a “price taker”). To the extent we

value securities, financial instruments and other assets in the Access Funds and Advisory Accounts, we generally attempt to value such investments at fair value in accordance with our valuation policies and procedures. We may face a conflict with respect to such valuations as they affect our compensation. In addition, to the extent we utilize third-party vendors (administrators or custodians or auditors) to perform certain valuation functions or provide valuation or appraisal services, these vendors may have interests and incentives that differ from those of our client accounts. All valuation determinations with respect to a client or its assets or investments generally will be conclusive, final and binding on such client and its applicable investors. **See “Valuation Risks” in Item 8 above.**

## **DIFFERENCES AMONG CLIENT ACCOUNTS; OTHER ACTIVITIES**

Our decisions and actions and recommendations may differ among client accounts. Advice given or recommendations made to, or investment or voting decisions or recommendations made for or on behalf of, one or more client accounts may compete with, affect, differ from, conflict with, or involve timing different from, advice or recommendations given or investment or other decisions made for or on behalf of other client accounts (including purchasing (or holding) securities or other investments on behalf of one client while selling such securities or investments on behalf of another client).

We also expect that Underlying Managers generally will advise other clients in addition to, and engage in activities other than, activities related to the management and operation of, the Underlying Funds and Underlying Accounts to which we allocate client account assets or in which our clients otherwise invest. As a result, Underlying Managers may have other interests and relationships which create or involve a variety of conflicts similar to or different from the foregoing in relation to the Underlying Funds and Underlying Accounts they manage or their other activities and businesses.

In the course of our activities, including activities and recommendations on behalf of clients, we may acquire confidential information or otherwise become restricted in our investment activities. In such event, we may not be free to act upon such confidential information in the course of performing our duties for clients, and we may not be able to initiate a transaction for a client that we otherwise would have initiated, with the result being that we are unable to purchase or dispose of a position. Such restrictions would apply even if we were not involved in, and could not have benefitted from, the receipt of such information.

## **CO-INVESTMENT OPPORTUNITIES**

### Access Funds

One of our affiliates has established CHC DIF as a pooled investment vehicle to make co-investments with third party private equity sponsors through partnerships, joint ventures or other structures (including the opportunity to directly or indirectly co-invest alongside Underlying Funds, their affiliates and other third party sponsors and managers in portfolio investments and portfolio companies). As disclosed herein, CHC DIF generally will have priority with respect to all private equity investment opportunities that are within the scope of CHC DIF’s investment mandate during CHC DIF’s investment period (except as otherwise set forth in the applicable governing documents). A portion of any investment acquired by CHC DIF may be offered for syndication to one or more syndicate investors and such syndicate investors will co-invest alongside CHC DIF in such investment either directly or indirectly through a syndicate pooled investment vehicle established and managed by us or an affiliate.

One of our affiliates has also established CHCP Direct Investors as a vehicle or mechanism through which the Access Funds, investors in the Access Funds, current or prospective clients, and our employees (or former employees) and officers and their respective affiliates have participated and may in the future participate in certain private equity-related investment opportunities (including co-investment opportunities and the opportunity to invest alongside one or more of the Underlying Funds and/or their affiliates or other entities in an investment) that are made available to us, to the extent that such opportunities are not offered or allocated (or required to be offered or allocated) to CHC DIF or another client in accordance with our allocation policies and procedures or the governing documents of such client(s). One or more of the Access Funds may invest in a portfolio company or portfolio investment indirectly through CHCP Direct Investors. To the extent an investment opportunity is allocated or otherwise made available to CHCP Direct Investors, such investment generally will be made available to advisory clients (including certain employees that have entered into investment advisory agreements with us) and existing investors in our funds of private equity funds (including certain of our employees who receive or elect to receive Class B-1 Interests) before being offered to any other persons. The excess, if any, of any proposed investment opportunity generally will then be made available to our employees (other than employees who have entered into investment advisory agreements with us or have elected to receive Class B-1 interests) before being offered or made available to any other persons. As described in **Item 5** above, investors making an initial commitment to CHCP Direct Investors after November 1, 2014 generally are subject to a carried interest equal to 5% of profits on distributions derived from the disposition of an investment on a deal-by-deal basis (following the return of contributed capital, expenses and a preferred rate of return of 8% to investors). As a result of this carried interest, we have an incentive to favor CHCP Direct Investors with regard to the allocation of investment opportunities or participation in particular investments.

Subject to the foregoing, we and our affiliates generally may, as deemed appropriate, offer to any person (including any of our affiliates, any Access Fund, any investors in an Access Fund, any successor funds to an Access Fund and/or any advisory, consulting, family office or other client of Crow Holdings Capital) the opportunity to invest or co-invest alongside an Access Fund in a portfolio investment or Underlying Fund (either directly or indirectly) on such terms and conditions as may be determined by us or any of our affiliates and we and our affiliates may receive fees, compensation or other direct or indirect benefits as a result of or in connection with such co-investments. For example, we may from time to time permit an Advisory Account client to invest alongside an Access Fund in an Underlying Fund or otherwise acquire interests in the same Underlying Fund, which may result in actual or potential conflicts of interest. In particular, we may have a conflict of interest to the extent that we have an opportunity to earn additional or higher fees or compensation from Advisory Account clients with respect to a direct investment in an Underlying Fund.

#### Real Estate Funds

During the investment period of an applicable Real Estate Fund, the General Partner may elect to offer (but will not be required to offer or make available) any co-investment opportunity to all investors in such Real Estate Fund, including Crow Family Holdings (in its capacity as a limited partner of such Real Estate Fund), on a *pro rata* basis. Notwithstanding the foregoing, the General Partner may in its discretion, and for reasons of administrative convenience, defer offering each investor its *pro rata* share of such investment opportunity until after the closing of such investment opportunity, and may, in connection with such closing, permit Crow Family Holdings or an affiliate of the General Partner to acquire the entirety of such investment opportunity pending the offer to each investor of its *pro rata* share. Notwithstanding the foregoing, certain of the Real Estate Funds have and in the future may form joint ventures with third-parties to acquire certain investments. In order to offset increased costs associated with any such joint venture, affiliates of a General Partner receive fees from such third parties where such affiliates function as the manager of any such joint venture.

## OTHER POTENTIAL CONFLICTS

The legal and/or organizational or governing documents of a Fund, advisory agreements between us and an advisory client or the agreements in respect of portfolio investments establish complex arrangements among the parties, including between investors and the Funds. Questions may arise from time to time under these agreements regarding the parties' rights and obligations in certain situations, many of which may not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, may be broad, general, ambiguous or conflicting, and may permit more than one reasonable interpretation. At times there may not be a provision directly applicable to a situation. While we will construe the relevant agreements in good faith and in a manner consistent with our legal obligations, the interpretations adopted may not be, and need not be, the interpretations that are the most favorable to an advisory client or its investors.

## ITEM 12: BROKERAGE PRACTICES

### BROKER SELECTION AND BEST EXECUTION

#### General

We generally will not have oversight or exercise authority over the selection of broker-dealers or other counterparties by Underlying Managers. To the extent we make direct investments or otherwise direct brokerage, we will select broker-dealers and other counterparties to execute client transactions based primarily on their ability to deliver best execution for our clients. In selecting brokers or counterparties, we consider various factors including, but not limited to, execution quality, commission rate, responsiveness, the value of any research provided and financial responsibility. The commissions or transaction costs (including spreads) charged by any broker or other counterparty may be greater than the amount another firm might charge if we determine in good faith that the amount of such commission is reasonable in relation to the value of the brokerage services and research (or other services) provided by the broker or counterparty or service provider.

We have adopted policies and procedures that we believe are reasonably designed to ensure that our clients achieve best execution and that brokers, counterparties and other service providers utilized have been selected based on our clients' best interests. We have established a Brokerage Committee that is generally responsible for reviewing brokers, counterparties and service providers utilized, evaluating for conflicts of interest, evaluating the quality of execution services and reviewing any proposed soft-dollar arrangements. The Brokerage Committee will meet on a periodic basis to review trading activity and the quality of the execution received.

#### Pershing Advisor Solutions

In general, we recommend that Advisory Account clients establish accounts at, and receive custody, clearing, brokerage and other services from, Pershing. Nevertheless, clients are ultimately responsible for deciding whether or not to open custodial accounts at Pershing. We are independently owned and operated and are not affiliated with Pershing.

As compensation for its services, Pershing generally will charge Advisory Account clients a flat rate custody-based fee (the “Pershing Custody Fee”) of 3.75 basis points on assets held in their custodial account(s) at Pershing. The Pershing Custody Fee includes U.S. trades executed through Pershing either directly or indirectly, but does not include foreign currency trades and certain other items that will be charged directly to clients on a per execution basis. The Pershing Custody Fee is in lieu of transaction-based brokerage commissions, does not vary based on the number or size of trades in client accounts, and does not include fees for trade away execution and services in connection with transactions effected through broker-dealers other than Pershing or its agents/affiliates. Additional fees and expenses may be incurred for transactions executed by a broker-dealer other than Pershing or its agents/affiliates. See **Item 5** above for details about how the Pershing Custody Fee is calculated and debited from accounts.

The appropriateness of the Pershing Custody Fee for any client may depend on a number of factors including, among others, the client’s investment objectives and financial situation, our investment strategies and trading patterns, including the frequency of trading and the number and size of transactions. If the number of transactions in an Advisory Account is low enough in any particular period, the Pershing Custody Fee may exceed the commissions that would otherwise have been charged for transactions effected in such period.

Pershing also makes available other products and services that benefit us but may not directly benefit our clients. Some of these other products and services assist us in managing and administering Advisory Accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution; provide pricing information and other market data; facilitate payment of our advisory fees from Advisory Accounts; and assist with back-office functions, recordkeeping and client reporting. Some of these services generally may be used to service all or a substantial number of our clients, including accounts not maintained at Pershing. Pershing also makes available to us other services intended to help us manage and further develop our business enterprise, including publications on information technology, regulatory compliance and marketing.

While we endeavor to act in the best interests of our clients, our recommendation that clients maintain their assets in accounts at Pershing may be based in part on the benefit to us of the availability of some of the foregoing products, services and arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Pershing, which may create a conflict of interest.

## **SOFT DOLLARS**

In addition to execution, we may receive research and research related services from brokers who execute portfolio transactions for our clients. This research generally is used to service all client accounts (to the extent such research is applicable to our clients). We do not formally commit to invest any particular level of commissions to brokers who provide research services and we do not currently intend to enter into any formal soft dollar arrangements. Research or brokerage services by brokers through which portfolio transactions for us are executed may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, online quotations, news and research services, access to an electronic communication network for order entry and account information, participation in broker-dealer sponsored research and capital introduction conferences and other services providing lawful and appropriate assistance to us in the performance of investment decision-making responsibilities on behalf of clients. We may benefit by not having to produce or pay for research, and receipt of such research or other products or services may create an incentive for us to select or direct more business to particular brokers. We understand that the benefits received through our relationship with broker-dealers generally do not depend upon the amount of transactions directed to, or the amount of assets custodied by, the broker-dealers. We expect that all research reports received in connection with client-related matters will be within the limitations set forth in Section 28(e) of the Securities Exchange Act of 1934, as amended.

In addition to the foregoing, we may purchase research reports and other information from brokers that do not execute portfolio transactions for our clients.

## **BROKERAGE FOR CLIENT REFERRALS**

From time to time we may speak at conferences and programs that are sponsored by one or more of our executing brokers, service providers or other third-parties for investors interested in investing in hedge funds or other investment types. These conferences and programs may provide opportunities for us to be introduced to potential Fund investors or Advisory Account clients. Generally, these third-parties will not be compensated by us, the Funds, or potential investors or clients for providing such “capital introduction” opportunities. These third-parties may, however, provide services to us or the Funds, and such additional services provided by these third-parties, including the opportunity to attend capital introduction events, may influence our decision to use (or continue to use) their services. Underlying Managers may allocate brokerage in return for client referrals, which may raise conflicts of interest.

## **DIRECTED BROKERAGE**

We may from time to time permit our Advisory Account clients to direct the brokers to be used in executing transactions for their accounts. Advisory Account clients should be aware that directing brokerage may prevent us from achieving best execution which may end up costing those clients more money. As described above, we generally recommend that Advisory Account clients utilize the custodial, brokerage and clearing services of Pershing.

## **ORDER AGGREGATION**

We may aggregate or “bunch” trade orders for multiple clients from time to time when it would be in the clients’ best interests to do so. Aggregated orders will be allocated among applicable clients on a fair and equitable basis under the circumstances, but generally *pro rata* per suitable client account. Additionally, aggregated trades are subject to our best execution obligations.

## ALLOCATION OF INVESTMENT OPPORTUNITIES

We face actual and potential conflicts of interest in allocating investment opportunities among our various applicable clients and other persons (including conflicts as a result of differences in the financial or fee structure of advisory accounts that would potentially participate in any such opportunity). We have established investment opportunity allocation policies and procedures addressing our duties to allocate investment opportunities among applicable client accounts in a fair and equitable manner (as determined by us in our discretion).

Except as otherwise set forth in the applicable governing and/or offering documents of a Fund or client, we generally are not required to accord exclusivity or priority to any client with respect to any particular investment opportunities. To the extent a particular investment opportunity may be appropriate or suitable for more than one client (as we determine in our discretion), such investment generally may be allocated, offered or otherwise made available only to one or more of such applicable client(s) or between or among such applicable clients in accordance with our general allocation principles and procedures, which will be based on factors that we and our affiliates reasonably determine in good faith to be fair and reasonable including, without limitation, the terms and requirements set forth in the applicable governing and account documents, the relative amount of assets dedicated to such opportunity set or the amount of cash then available for investment in each account relative to other anticipated investment opportunities, the types of investments being offered and/or the investment objectives, guidelines and restrictions and risk profiles of each applicable client, with the result being that certain opportunities may not be allocated to certain clients or among such clients on a *pro rata* basis. We or our affiliates may engage in transactions or investments or cause or advise other clients to engage in transactions or investments that may differ from or be identical to the transactions or investments engaged in by us or our affiliates for or the advice given by us with respect to another client's account.

Notwithstanding the foregoing, (i) opportunities to make additional or follow-on investments in investments (or to participate in side-by-side investments) or portfolio investments in which another client (including one or more predecessor funds, CHCP Direct Investors, CHC DIF, Crow Family Holdings and/or other vehicles or accounts) has an existing investment or relationship may be allocated or offered exclusively to such client(s); (ii) the funds of private equity funds managed by us generally are entitled to investment priority with respect to investment opportunities made available to us that involve passive investments in blind-pool private equity funds in which persons other than us or an affiliate have investment discretion and which have the primary objective of making privately-negotiated equity and equity-related investments in portfolio companies; (iii) CHC DIF (and any successor thereto or syndication vehicle established in respect of an investment opportunity) generally has priority with respect to investment opportunities made available to us that involve equity and equity-related investments in private transactions led by third party sponsors (including the opportunity to co-invest alongside third parties in portfolio investments), other than (A) follow-on investments related to any investments made prior to the formation of CHC DIF, (B) assets inappropriate for CHC DIF, and (C) any investment as a passive investor in a private equity fund managed by a third party sponsor or manager, and (iv) subject to the terms and conditions set forth in the applicable governing and offering documents, the Real Estate Funds generally have priority with respect to all real estate and real estate related assets (including indirect investments in real estate through one or more subsidiaries or special purpose vehicles) (subject to certain specific carve-outs described in such governing documents). Our policies generally prohibit the allocation of investment opportunities based on anticipated compensation or profits to us, Crow Family Holdings or any affiliates or personnel thereof.

For a description of the general allocation policies relating to CHCP Direct Investors (including preferential allocation of investment opportunities to certain investors), see **Item 11**.



As noted in **Item 5** above, employees that enter into investment advisory agreements with us generally will receive Class A Interests in the Access Funds and, as a result, may, subject to the terms of the applicable offering and governing documents, be entitled to priority with respect to the allocation of certain investment opportunities (together with other Class A investors), without regard to the fees paid by such employees.

## **TRADE ALLOCATION**

When placing orders in the same direction in the same investment at the same time for more than one of our clients, we will generally place orders for all such accounts simultaneously. If all such orders are not filled at the same price, we will, to the extent possible or practical, attempt to allocate the trades such that the order for each client is filled at the average price. Similarly, if an order on behalf of more than one client cannot be fully executed under prevailing market conditions, we allocate the trades among different clients on a basis that we consider equitable.

Factors considered when allocating trades among clients include, among others, the factors listed above when determining the allocation of investment opportunities, the avoidance of odd lots or excessive transaction costs relative to a client's size and the need to rebalance positions held by a client due to capital infusions or withdrawals.

Trades must be allocated promptly, usually on the trade date, and no reallocations are permitted from one account to another except where the original allocation was done in error. The partner advisory team, or the supervised person executing the trade(s), document allocation decisions either (i) on the daily order blotter or (ii) a worksheet, saved alongside the daily trade blotter, which will detail participating clients and the manner in which the order was allocated. Partially filled orders generally are allocated *pro rata* based on each client's account size.

## **TRADE ERRORS**

In the course of managing client accounts, we expect trade errors to occur from time to time. Although there is no standard definition of trade errors, they may include a number of situations, such as:

- Trade executions in the wrong direction (i.e., buy vs. sell);
- Purchasing securities not legally permitted for an Advisory Account or Fund, or not within an Advisory Account or Fund's investment guidelines;
- Purchasing or selling the wrong securities or the wrong amount of securities for an Advisory Account or Fund;
- Purchasing or selling securities for the wrong Advisory Account or Fund; or
- Allocating securities to the wrong Advisory Account or Fund.

A trade error, however, does not include errors that are corrected at the broker-dealer level or otherwise corrected prior to settlement.

If a client incurs costs as the result of a trade error, the client generally is required to bear such costs unless the trade error was caused by our gross negligence, willful misconduct or violation of applicable laws or regulations (to the extent permitted by applicable law). Notwithstanding the foregoing, we may elect to bear the costs of any trade error in our sole discretion.

Trading activity is monitored for errors and any errors are reported to the Chief Compliance Officer for further review and recordkeeping.

Notwithstanding the foregoing, we are not responsible or liable for any trade or investment that is directed by a client.

## **ITEM 13: REVIEW OF ACCOUNTS**

### **REVIEWS OF ACCOUNTS**

#### Real Estate Funds

The applicable investment committee of Crow Holdings Capital – Real Estate reviews and approves all investment and disposition decisions and financings with respect to each Real Estate Fund. Appropriate records, research and due diligence files are maintained with respect to each investment made by the Real Estate Funds. Additionally, the applicable investment committee of Crow Holdings Capital – Real Estate provides ongoing oversight of Real Estate Fund investments through weekly investment committee meetings and, at least annually, reviews each fund investment, including applicable budget, forecast and projection.

With respect to accounting matters, we have engaged an independent public accounting firm to conduct an annual audit of each of the Real Estate Funds.

#### Access Funds

The investment committee of Crow Holdings Capital – Investment Partners approves new Underlying Funds and new Underlying Managers for the Access Funds. Appropriate records, research and due diligence files are maintained with respect to Underlying Funds and Underlying Managers. The investment team of Crow Holdings Capital – Investment Partners reviews performance of the Access Funds, including applicable Underlying Funds and Underlying Managers through periodic meetings, using risk reports, market analysis and market updates.

With respect to accounting matters, we have engaged an independent public accounting firm to conduct an annual audit of each of the Access Funds.

### Advisory Accounts

The investment committee of Crow Holdings Capital – Investment Partners approves Advisory Account client platform solutions, which are pre-approved Underlying Funds, Underlying Managers and other investments that may be offered and/or recommended to Advisory Account clients (subject to applicable qualification, suitability and eligibility requirements). Appropriate records, research and due diligence files are maintained with respect to Advisory Account client platform solutions. The partner advisory team monitors Advisory Accounts on a periodic basis and reviews account performance with each Advisory Account client on a periodic basis, generally quarterly.

In managing the Access Funds and providing investment advice to Advisory Accounts, Crow Holdings Capital – Investment Partners (i) uses reasonable and appropriate efforts to ensure that investments made by or on behalf of the Access Funds and Advisory Accounts are consistent with the investment objectives, policies and guidelines set forth in the applicable governing and/or account documents and are consistent with the financial circumstances and risk tolerance of each Advisory Account client and (ii) holds formal and informal meetings on a periodic basis to discuss investment ideas, economic developments, current events, investment strategies and issues related to client investments. We generally will conduct reasonable and appropriate due diligence of Underlying Funds and Underlying Managers on a periodic basis as deemed necessary or appropriate.

To the extent directed or requested by a client, we recommend, identify or acquire specific investments for such client in accordance with our directed trading procedures.

### **FACTORS TRIGGERING ADDITIONAL REVIEWS**

In addition to periodic reviews, additional reviews may be undertaken in response to, among other things, changes in market or economic conditions, changes in Underlying Managers, Underlying Funds or other investments, or changes in a client's investment objectives or policies.

### **REPORTS TO INVESTORS/CLIENTS**

#### Real Estate Funds

We provide investors in the Real Estate Funds with quarterly unaudited financial statements (including a balance sheet, income statement and statement of partners' capital) and annual audited financial statements (including a balance sheet, income statement, and statement of partners' capital). After the close of each taxable year, we provide investors with tax information for the preparation of their respective federal income tax returns.

#### Access Funds

We provide investors in the Access Funds with periodic net asset value statements, annual financial statements audited by the Fund's independent auditors, Schedule K-1s and any other tax information reasonably requested by an investor. We may provide other reports to investors from time to time. In response to questions and requests and in connection with due diligence meetings and other communications, we may provide additional information to certain investors that is not distributed to other investors. Such investors may make investment or withdrawal decisions with respect to their investment in the Access Funds based upon such information.

### Advisory Accounts

Pershing provides each applicable Advisory Account client with monthly or quarterly account statements that include, among other things, a summary of all activity in that client's account, including all purchases and sales of securities (which generally will reflect subscriptions for, and redemptions or withdrawals of, interests in Underlying Funds), and any debits and credits to the account, a summary of holdings including a portfolio valuation, and the change in value of the account during the reporting period. Pershing and other applicable custodians may also provide other reports, as set forth in the applicable custodial account agreements. In addition, we may provide Advisory Account clients with such reports, notices and letters as we deem appropriate in our discretion and as set forth in the applicable investment advisory agreement with such client, including quarterly fee invoices. **Clients are urged to compare any statements they receive from us or our agents with the statements provided by their custodians.**

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

### **THIRD-PARTY COMPENSATION**

Pershing makes available certain products and services that benefit us but may not directly benefit our clients. For more information, please see **Item 12** above.

Except as set forth in **Item 12** or elsewhere herein, we currently do not receive any economic benefit from any person who is not a client for providing investment advice or other advisory services to our clients.

### **REFERRALS; PLACEMENT AGENTS**

We have entered into and may enter into agreements or arrangements with solicitors or third party placement agents who refer investors in one or more of the Funds to us. For their referral or placement agent services, such persons may receive compensation from us (or our affiliates) which may be (i) a percentage of the management fee and/or performance-based fee, (ii) allocation paid to us or our affiliates by such investors and clients, (iii) a percentage of an investor's commitment, or (iv) a flat fee. Investors generally will not be charged any higher or additional fee as a result of such agreements or arrangements. However, in certain instances, referral fees and expenses may be borne by one or more clients. In every instance, all arrangements and payments of referral fees will be disclosed to applicable investors. The names of any solicitors or placement agents engaged with respect to a Fund are set forth in Section 7.B of Schedule D of Part I of our Form ADV.

## ITEM 15: CUSTODY

### Funds

We have, or may be deemed to have, custody of each Fund's cash and securities. To the extent required by Rule 206(4)-2 under the Advisers Act, each Fund's cash and securities (other than "privately offered securities," as defined in Rule 206(4)-2 under the Advisers Act) are held with one or more qualified custodians. We may change custodians at any time and from time to time without the consent of, or notice to, investors. A PCAOB-registered independent public accountant selected by us or the applicable General Partner conducts annual audits of the Funds, and audited financial statements (prepared in accordance with generally accepted accounting principles) are provided to investors on an annual basis. We attempt to provide such statements to investors within 120, 180 or 260 days, as applicable, after the end of each fiscal year, but there can be no assurance that we will be successful in this regard. Qualified custodians do not provide statements directly to investors in the Funds.

### Advisory Accounts

We may have, or may be deemed to have, custody of an Advisory Account client's cash and securities. We do not intend to have physical possession of the cash or securities in Advisory Accounts at any time. In general, all cash and securities owned by Advisory Account clients will be held by one or more qualified custodians that are appointed by such clients pursuant to separate custody or other agreements. As noted in **Item 12** above, we generally recommend that Advisory Account clients utilize the custodial, brokerage, clearing and other services of Pershing. **Advisory Account clients generally receive account statements directly from Pershing (and/or other applicable custodians) and should carefully review those statements. We urge Advisory Account clients to compare the account statements they receive from their qualified custodian(s) with any statements that they receive from us.**

If we have, or are deemed to have, custody of Advisory Account cash and securities, such cash and securities may (to the extent required by Rule 206(4)-2 under the Advisers Act) be verified by a surprise examination at least once each calendar year by a PCAOB-registered independent public accountant.

Certain Advisory Account clients have granted and may in the future grant to us the limited power in standing letters of authorization (SLOAs) to disburse funds from their custodial accounts at Pershing to one or more persons specifically designated by such clients. Pursuant to recent SEC guidance, we generally are deemed to have custody of any such client's cash and securities and are required to comply with the applicable requirements of Rule 206(4)-2 under the Advisers Act. To the extent that we do not qualify for the relief from the surprise examination requirement set forth in the applicable SEC no-action letter, we will cause such client's Advisory Account assets to be included within the scope of the annual surprise exam.

## ITEM 16: INVESTMENT DISCRETION

### DISCRETIONARY AUTHORITY

#### Funds

Except with respect to CHCP Direct Investors, we generally have discretionary power and authority over the types of investments to be bought or sold, as well as the amount to be bought or sold, on behalf of each of the Funds, subject to any limitations set forth in the applicable offering and governing documents.

In addition, we generally have authority to determine the broker-dealer or other counterparty (or other service providers or vendors) to be used for Fund transactions and the negotiation of commission rates and other consideration to be paid by the Funds.

#### Advisory Accounts

In certain instances, we have discretionary power and authority to invest and reinvest all or a portion of the funds and assets held in Advisory Accounts. In such instances, we may have authority (i) over the types of investments to be bought or sold, as well as the amount to be bought or sold, on behalf of Advisory Accounts; and (ii) to determine the broker-dealer or other counterparty to be used for Advisory Account transactions and the negotiation of commission rates and other consideration to be paid by the Advisory Accounts. Each Advisory Account client for which we have investment discretion is required to sign an investment advisory or other agreement that authorizes us to manage and direct the investment and reinvestment of Advisory Account assets, with discretion to make investment decisions on the Advisory Account client's behalf and at the Advisory Account client's risk. Our discretionary authority is limited by the terms of the investment advisory or other agreements and the investment guidelines, restrictions and limitations imposed on the management of Advisory Accounts by each client.

We also provide services to Advisory Account clients on a non-discretionary or limited discretionary basis (with respect to all or a portion of the assets in their Advisory Accounts). In such instances, we generally are not authorized to make any investment decision or implement any transaction with respect to such Advisory Account without the prior approval of the advisory client in each instance. To the extent approved and authorized by such client, we may be authorized to make or implement a transaction or an investment and select the broker, dealer, bank or other counterparty by or through which such transaction will be effected.

### LIMITED POWER OF ATTORNEY

Each investor in the Funds grants the General Partner a limited power of attorney to enable the General Partner to execute the applicable partnership agreement on its behalf. In addition, each Advisory Account client may grant us a limited power of attorney to enable us to conduct authorized trading on their behalf.

## ITEM 17: VOTING CLIENT SECURITIES

Underlying Managers generally are responsible for voting with respect to securities held by Underlying Funds and Underlying Accounts.

### Real Estate Funds

Each of the Real Estate Funds invests indirectly in real estate and real estate related assets and we generally do not expect to be called upon to vote with respect to securities held by the Real Estate Funds. Nevertheless, in the event that we are called upon to vote securities, we would act in accordance with the policies and procedures set forth in our proxy voting policy (as described below).

Investors in the Real Estate Funds may obtain copies of our proxy voting policy by contacting us.

### Access Funds

Each of the Access Funds invests primarily in and through Underlying Funds and Underlying Accounts, and we generally are not responsible for voting the underlying investments held or maintained by the Underlying Funds and Underlying Accounts. Nevertheless, we generally do have voting authority with respect to securities that are owned directly by the Access Funds (including voting with respect to the interests in Underlying Funds held by the Access Funds). Rule 206(4)-6 under the Advisers Act requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies and procedures. In accordance with such rule, we have adopted proxy voting policies and procedures in our compliance manual. In general, our policy is to vote proxy proposals, amendments, consents or resolutions relating to securities, including interests in Underlying Funds, in a manner that serves the best interests of the applicable Access Fund, as determined in our discretion, taking into account various factors. We may take no action with respect to a proxy if we reasonably determine that it is in the best interest of a client not to vote the proxy (or the voting of such proxy is not likely to result in any material benefit to the client).

Investors in the Access Funds may obtain copies of our proxy voting policy, together with information regarding how we have voted past proxies, by contacting us.

### Advisory Accounts

In general, Advisory Account clients are responsible for voting all proxies with respect to securities in their Advisory Accounts and we do not have any power to vote such proxies. Nevertheless, we may from time to time provide advice or recommendations to Advisory Account clients regarding the voting of proxies. In the event that we do accept (or otherwise have) proxy voting authority on behalf of an Advisory Account, we generally vote proxy proposals, amendments, consents or resolutions relating to Advisory Account securities, including interests in the Access Funds and Underlying Funds, in accordance with the instructions of the Advisory Account client. We will use commercially reasonable efforts to vote according to the Advisory Account client's request in these circumstances. In the absence of specific voting guidelines or instructions from the Advisory Account client, we will attempt to vote proxies in a manner that serves the best interests of the Advisory Account, as determined in our discretion, taking into account various factors. We may take no action with respect to a proxy if we reasonably determine that it is in the best interest of a client not to vote the proxy (or the voting of such proxy is not likely to result in any material benefit to the account).

Advisory Account clients may obtain copies of our proxy voting policy, together with information regarding how we have voted past proxies, by contacting us.

For Advisory Accounts in respect of which we do not have authority to vote proxies, Advisory Account clients should work with their custodians to ensure they receive proxies and other solicitations for securities held in their Advisory Accounts. These Advisory Account clients may contact us if they have questions on any particular solicitation.

## **ITEM 18: FINANCIAL INFORMATION**

We do not have any financial commitment that impairs our ability to meet contractual and fiduciary commitments to our clients, nor have we been the subject of any bankruptcy proceeding.

## **GENERAL INFORMATION**

### **PRIVACY POLICY**

We have adopted policies and procedures that we believe are reasonably designed to protect various records and information of clients and investors and to detect, prevent and mitigate identity theft. Except as set forth in the applicable offering materials, our privacy statement and as otherwise authorized by each client and/or investor, private information about clients and/or investors is disclosed only as permitted by applicable law to our affiliates and service providers, including our accountants, administrators, attorneys, brokers, custodians, and transfer agents, and to financial institutions pursuant to joint agreements between such institutions and us.

### **LEGAL PROCEEDINGS**

We generally are not responsible for filing claims or otherwise taking any action in connection with class action lawsuits, bankruptcy proceedings, or any other legal or administrative proceeding, in any such case on behalf of a client in connection with any client security holding.