

Part 2A of Form ADV: Singerman Real Estate Management Company, L.P. - Brochure

Item 1 - Cover Page

March 30, 2022

Singerman Real Estate Management Company, L.P.
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Chicago, Illinois 60611
Phone - (312) 544-9645

This Brochure provides information about the qualifications and business practices of Singerman Real Estate Management Company, L.P. If you have any questions about the contents of this brochure, please contact us at (312) 544-9645. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Singerman Real Estate Management Company, L.P. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser.

Additional information about Singerman Real Estate Management Company, L.P. also is available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2 - Material Changes

This “Brochure” contains information about Singerman Real Estate Management Company, L.P. (the “Adviser”). Since the last version of this Brochure dated March 31, 2021, the Brochure has been revised to reflect updates to the Adviser’s assets under management (please see Item 4 below).

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

Currently, our Brochure may be requested by contacting Mr. Charles Kellogg, the Adviser’s Chief Compliance Officer, at (312) 544-9636 or ckellogg@singermanre.com.

Additional information about the Adviser is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with the Adviser who are registered, or are required to be registered, as investment adviser representatives of the Adviser.

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Item 4 - Advisory Business

- A. The Adviser is an opportunistic real estate investment firm located in Chicago, Illinois that was formed in 2011 by Mr. Seth Singerman, the founder and managing principal of the Adviser (the “Managing Principal”). The Managing Principal is the sole equity owner of the Adviser through direct and indirect interests.
- B. The Adviser provides investment advisory services on a discretionary basis to private equity collective investment vehicles (together with their respective parallel funds and special purpose or alternative investment vehicles, the “Funds”). Typically, each Fund includes a special purpose general partner, managing member or similar entity which is an affiliate of the Adviser (each, a “General Partner”).

The Funds were organized to acquire a diversified set of real estate assets, including direct property investments, real estate loans, operating companies and publicly traded securities with a focus on maximizing risk-adjusted returns through investments in both debt and equity across all major asset classes including office, retail, hotel, industrial and multifamily, in addition to secondary real estate asset classes including student housing and senior housing.

The Adviser will source and evaluate investment opportunities; formulate the Funds’ investment plans to unlock embedded value; structure, negotiate and direct the equity and debt financing thereof; monitor and manage the Fund’s portfolio investments; strategize and execute exit opportunities; and generally oversee the Funds’ assets in accordance with the terms of the private placement memorandum, limited partnership agreement or other governing documents applicable to each Fund (the “Governing Documents”).

- C. While each of the Funds generally follows the general strategy stated above, the Adviser may tailor the specific advisory services and the investment strategy of each Fund as set forth in such Fund’s Governing Documents. Investment advice and management is provided directly to the Funds and not individually to the limited partners or investors in the Funds (the “Investors”). Investors may not restrict investments by the Funds in any capacity.
- D. The Adviser does not participate in wrap fee programs.
- E. As of March 30, 2022, the Adviser managed approximately \$2.04 billion in discretionary portfolios. The Adviser does not currently manage assets on a non-discretionary basis.

Item 5 - Fees and Compensation

- A. The Adviser and its affiliates typically receive compensation from fees based on a percentage of capital under management, carried interest distributions and certain other fees or expenses, all in accordance with the Governing Documents. Investors should review the relevant Governing Documents to fully understand the total amount of fees to be paid by a Fund, and, indirectly, by its Investors. See “Performance-Based Fees and Side-by-Side Management” below for a further discussion of fees and the potential conflicts of interest they can create. See “Brokerage Practices” below for additional information regarding transaction costs.

Management Fees

As described in the applicable Fund’s Governing Documents, each Fund will generally pay the Adviser an annual management fee (the “Management Fee”) for services provided by the Adviser to the Fund. While Management Fee terms may differ from Fund to Fund, Management Fees are typically paid quarterly in advance equal to a percentage of up to two percent (2%) of a Fund’s aggregate capital commitments during the Fund’s commitment period (the “Commitment Period”) or, if earlier, until Management Fees begin to accrue for a subsequent Fund. Thereafter, through the termination of the Fund, the Management Fee will equal a percentage of up to two percent (2%) of the difference between (i) the Fund’s capital contributions applied toward investments and the allocable share of amounts committed by the Fund’s General Partner to be drawn for investments less (ii) the Fund’s investment-related capital contributions that are attributable to investments that have been sold off or completely written off. Management Fees are generally billed directly to Investors on quarterly basis but may be paid out of a Fund’s current income and investment proceeds as well as through drawdowns of capital commitments from Investors.

The Management Fee will generally be reduced by: (i) one hundred percent (100%) of any directors’ fees, financial consulting fees or advisory fees earned by the Adviser or its affiliates with respect to any investment; (ii) one hundred percent (100%) of any transaction fees paid to the Adviser or its affiliates with respect to any investment; and (iii) one hundred percent (100%) of any breakup fees with respect to transactions of the Fund not completed that are paid to the Adviser or its affiliates (collectively, “Transaction Fees”).

Carried Interest Distributions

Generally, a Carry Entity, which is a special limited partner in a Fund that is affiliated with the Adviser and the General Partner of the Fund, will be entitled to receive distributions in the form of a Carried Interest (as defined below) out of the net proceeds from the operation and disposition and refinancing of investments of the Funds (“Distributable Proceeds”). While the Carried Interest and preferred return may differ from Fund to Fund, the Funds generally employ “total return” or “European style” distribution waterfalls whereby Distributable Proceeds are generally apportioned among Investors in accordance with their respective percentage interests in the applicable investment and are then distributed to Investors, and the Carry Entity, in the following order of priority:

- (i) first, one hundred percent (100%) to an Investor until the cumulative amount distributed to the Investor pursuant to this clause (i) equals the sum of the Investor’s aggregate capital contributions and Management Fee payments;

- (ii) second, one hundred percent (100%) to the Investor until the cumulative amount distributed to the Investor pursuant to clauses (ii) through (iv) equals a nine percent (9%) per annum preferred return, compounded annually, on the sum of the Investor's aggregate capital contributions and Management Fee payments;
- (iii) third, fifty percent (50%) to the Investor and fifty percent (50%) to the Carry Entity until the cumulative distributions to the Carry Entity with respect to the Investor equals a predetermined percentage for the Investor of up to thirty percent (30%) (the "Applicable Carry Percentage") of the total amount distributed to the Investor and the Carry Entity pursuant to clauses (ii) through (iv); and
- (iv) thereafter, the Applicable Carry Percentage to the Carry Entity and the balance to the Investor (distributions under clause (iii) and this clause (iv) are referred to as the "Carried Interest").

Upon the final liquidation of a Fund and distribution of its remaining assets, the Carry Entity may be required to restore funds to the Fund for distribution to the Investors (up to the amount of its cumulative net after-tax Carried Interest) to the extent, if any, that the amount previously distributed to the Carry Entity as its Carried Interest exceeds the aggregate amount due to the Carry Entity as its Carried Interest on a cumulative basis.

Side Letters

Each General Partner may enter into a side letter or similar agreement ("Side Letters") with one or more Investors in the Funds that has the effect of establishing or otherwise benefiting the Investor in a manner more favorable than the rights and benefits under the applicable Governing Documents. These more favorable rights and benefits may include payment of Management Fees or Carried Interest at lower rates than other Investors in the same Fund.

- B. As noted above, Management Fees are generally billed directly to Investors on quarterly basis but may be paid out of a Fund's current income and investment proceeds as well as through drawdowns of capital commitments from Investors. Carried Interest is paid out of Distributable Proceeds as indicated above. Transaction Fees are not paid by any Fund but are paid by either the real estate company in which a Fund invests or other third parties.
- C. The Adviser and each General Partner bear their own overhead associated with each Fund's activities (including compensation of officers and employees of the General Partner and the Adviser and general office overhead).

Each Fund (together with any parallel funds, allocated pro rata based on Commitments) bear all expenses ("Organizational Expenses") incurred in connection with the organization of the Fund, each parallel fund, the General Partner, and the Carry Entity, provided, that any Organizational Expenses paid by the Fund (excluding placement fees) in excess of certain predetermined amounts set forth in each Fund's Governing Documents may be offset on a dollar-for-dollar basis against the Management Fee.

Each Fund bears and is charged with all costs and expenses relating to the activities and operations of the Fund, including, but not limited to: (i) administrative fees, costs and expenses related to the operation of the Fund (including fees, costs and expenses of

accountants, lawyers and other professionals incurred in connection with the Fund's annual audit, legal compliance, financial reporting, legal opinions and tax return preparation); (ii) fees, costs and expenses related to the acquisition, management, development, financing, hedging, refinancing and sale or other disposition of investments and the evaluation of potential investments (regardless of whether the potential investments are consummated), including any travel, financing, legal, accounting, advisory and consulting expenses in connection therewith; (iii) any taxes, fees or other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund; (iv) expenses of any Investor advisory committee and annual Investor meetings; and (v) fees, costs and expenses related to litigation, director and officer liability, other insurance and indemnification obligations.

Each Fund is responsible for and pays any of its brokerage fees and expenses related to transactions in publicly traded securities. Please refer to "Brokerage Practices" below for more information.

- D. As stated above, Management Fees are payable quarterly in advance. Since Investors are generally not permitted to withdraw or redeem their investment in a Fund prior to the dissolution of the Fund, refunds of Management Fees are not available to Investors.
- E. Other than as described above, neither the Adviser nor any of its supervised persons receives any compensation from the sale of securities or other investment products.

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

As stated in Item 5 above, a Carry Entity, which is an affiliate of the Adviser, generally receives performance-based fees in the form of Carried Interest on the profit distributions made to Fund Investors. The fact that a significant portion of the Adviser's compensation is directly tied to profit distributions generated by certain Funds may create an incentive for the Adviser to make investments on behalf of the Funds that are riskier and more speculative than would be the case in the absence of such compensation.

The Adviser may manage multiple Funds with similar investment strategies on a side-by side basis. As a result of the foregoing, the Adviser, the Managing Principal, and/or affiliate(s) may have conflicts of interest in: (i) allocating their time and activity among the multiple Funds; (ii) allocating investments among the multiple Funds; and (iii) effecting transactions among the multiple Funds, including ones in which the Adviser, the Managing Principal, and/or affiliate(s) may have a greater financial interest. These conflicts of interest may create an incentive for the Adviser to favor a Fund in which the Adviser, the Managing Principal, and/or affiliate(s) have a greater financial interest with respect to allocation of time and activity, limited investment opportunities, or investments that the Adviser regards as more attractive or better performing investments.

To address these conflicts of interest, the Adviser has implemented policies and procedures to ensure that all Funds receive equitable and fair treatment with respect to the allocation of investment opportunities. Additionally, the policies and procedures require the Adviser to at all times allocate investments among the Funds in a manner which it believes to be fair and equitable and prohibit the Adviser from basing an allocation decision on any of the following, or similar, reasons: (i) to generate higher fees paid by one Fund over another, or to produce greater fees to the Adviser or any of its affiliates; (ii) to develop a relationship with an existing or potential Investor; (iii) to compensate an Investors for past services or benefits rendered to the Adviser or any employee of the Adviser; or (iv) to induce future services or benefits to be rendered to the Adviser or any employee of the Adviser.

Item 7 - Types of Clients

The Adviser provides investment advisory services on a discretionary basis to the Funds, which are private equity collective investment vehicles that focus on investing in real estate private equity transactions.

The minimum commitment for an Investor in a Fund is generally \$500,000. However, a Fund's General Partner generally has discretion to accept less than the minimum threshold as set forth in the applicable Governing Documents.

Investors in a Fund are required to complete and submit a subscription agreement binding them to the terms of the Fund's Governing Documents. In addition, as noted above under "Fees and Compensation," a Fund may enter into Side Letters with one or more Investors that has the effect of establishing or otherwise benefiting such Investor in a manner more favorable than the rights and benefits under the applicable Governing Documents. In addition, the Side Letters may address laws, policies and procedures only applicable to specific Investors and not all Investors.

Investors are typically required to meet certain suitability qualifications as described in the applicable Governing Documents, such as being an "accredited investor", as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended. Also, Investors are generally required to make certain representations when investing in a Fund, including, but not limited to, that (i) they are acquiring an interest for their own account, (ii) they received or had access to all information they deem relevant to evaluate the merits and risks of the prospective investment and (iii) they have the ability to bear the economic risk of an investment in the Fund. Details concerning the applicable Investor suitability criteria are set forth in the respective Fund's Governing Documents and subscription materials, which are furnished to each prospective Investor.

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

A. Introduction

The Adviser is an opportunistic real estate investment firm that has deep experience executing complex transactions and unlocking embedded value through the ownership of properties, real estate loans, operating companies and publicly traded securities. The Adviser focuses on maximizing risk-adjusted returns through investments in both debt and equity across the major asset classes including office, retail, hotel, industrial, multifamily and life sciences, in addition to secondary real estate asset classes including student housing and senior housing.

Investment Philosophy and Principles

The Adviser's basic investment philosophy is to generate alpha through fundamental real estate analysis and a capital structure agnostic approach. The Adviser believes that knowledge and expertise in investing throughout the capital structure is particularly valuable in order to take advantage of inefficiencies and dislocations in the marketplace. To provide the flexibility necessary in order to generate attractive risk-adjusted returns, the Adviser maintains the following investment principles:

Capital Structure Agnostic. The Adviser places significant emphasis on investing in quality real estate at an attractive basis. Depending on the investment environment, opportunities may present themselves as debt or equity investments or a hybrid of both. For example, recapitalization pressures triggered by maturities or payment defaults can take the form of either debt or equity. In addition, debt-related investments may convert into equity investments through foreclosure or other legal proceedings.

Experience Across the Major Real Estate Asset Classes. Flexibility to invest across asset classes is a core competency of the Adviser. Unlike sector-oriented funds which can be limited to committing capital in a targeted strategy, the Adviser believes that its ability to invest across asset classes will position the Funds to select from a diverse opportunity set and enhances the potential to find its desired risk-adjusted returns. The Adviser's strategic relationships across asset classes support flexibility in the opportunity set of investments. The Adviser has significant experience and extensive partner relationships across the major asset classes, including hotels, office buildings, industrial, apartments, student housing facilities, neighborhood center, enclosed mall retail, life sciences properties and senior housing facilities.

Investment Size Flexibility Enhances the Opportunity Set. By having great flexibility in investment size, the Adviser believes that it can uniquely position the Funds to capitalize on a wide set of investment opportunities. The Adviser has experience executing deals ranging in size from \$1 million to over \$700 million.

Investment Themes

The Adviser has historically provided, and continues to seek to provide, diversified real estate exposure across asset classes while maintaining many shared investment characteristics:

Quality Return Profile. The Adviser emphasizes both levered and unlevered risk-adjusted returns, identifying and understanding potential threats while often forgoing potential upside for downside protection.

Operational Inefficiencies. The Adviser looks to identify asset dislocations that are not beta-driven and thus can exist at any point during the economic cycle. The Adviser focuses on asset management initiatives to create alpha.

Off-Market and Strategic Deal Sourcing. The Adviser believes strategic sellers and fund-life driven opportunities exist in today's environment. The Adviser seeks to leverage extensive relationships to find undercapitalized, well-located assets that have attractive investment characteristics.

Discount to Replacement Cost. The Adviser seeks to acquire assets where the acquisition basis, total investment basis and the assumed exit pricing are all at discounts to replacement cost. This strategy helps mitigate risk and provides greater downside protection. The Adviser focuses on the ongoing basis of an asset throughout the hold period .

Well-Located Assets. The Adviser seeks value-add opportunities near major demand drivers. Such demand drivers include, but are not limited to, educational institutions, hospital systems, transit systems, or assets of similar type that complement the target investment.

Investment Sourcing

The sourcing process developed by the Adviser seeks to identify and execute attractive investment opportunities across multiple economic cycles. The Adviser's investment sources include:

Public Companies. The Adviser has close relationships with public real estate management teams forged during the Managing Principal's active role for over a decade developing and growing a real estate securities investment platform and through sitting on boards and advisory councils. In the past this has provided the Adviser with investment opportunities when these companies look to sell non-core assets, and the Adviser expects these opportunities to continue to develop going forward.

Private Equity Funds. The Adviser has relationships with large private equity firms through partnerships in prior transactions. These firms often have large investment portfolios and do not devote resources to focus on smaller assets and as such may be willing to sell smaller, one-off transactions at an attractive basis or introduce the Adviser to smaller investment opportunities.

Investment Banks. Large banks often avoid potential work-out scenarios due to loan size and deal complexity relative to the bank's perceived opportunity cost of their time to work-out a loan. Additionally, investment banks may not have the expertise or desire to stabilize real estate owned assets.

Regional Banks. The Adviser has relationships with many regional banks and local partners which may result in deal flow and access to market-specific expertise.

Local Operators. Relationships with local operators may provide off-market deal flow through local market knowledge and on-the-ground monitoring of attractive potential investment opportunities. While these operators can often locate attractive deals, they may need an institutional partner than can underwrite complex transactions with equity requirements in the Adviser's target range.

Other Financial Institutions. The Adviser engages with insurance companies, hedge funds, specialty finance companies, mortgage REITs and the Adviser's existing investor base to source proprietary investment opportunities.

Investment Process

The Adviser's investment process is primarily focused on maximizing risk-adjusted returns. The Adviser places great emphasis on acquiring assets at attractive values as well as right-sizing financing proceeds and loan terms to levels it believes are appropriate for each asset.

The Adviser's investment process combines top-down macro research with asset specific bottom-up fundamental research. The Adviser first seeks to identify investment areas or investment themes that may be fertile ground for idea generation. Investment areas are broad and may include targeted positions in the capital stack, property type, location, demographics, and other macro-economic variables. Once the Adviser identifies core themes to generate attractive risk-adjusted returns, the Adviser conducts in-depth research and due diligence to generate specific investment opportunities. During the research process, the Adviser utilizes its investment expertise and typically leverages its broad relationships with real estate professionals including operating partners, owners, brokers and lenders, to analyze specific investments.

Once a deal is acquired, the Adviser undertakes proactive asset management. Investment business plans are reviewed on a monthly basis and again reviewed at tri-annual asset-management meetings. Asset management focuses on optimizing asset-level performance and determining capital allocation strategies including property-level capital budgeting, financing decisions and exit strategies.

Asset and Portfolio Management

During the investment process, a member of the Adviser's asset management team is assigned to the investment to manage the following: (i) the investment plan; (ii) budget; (iii) property management; (iv) renovations, if any; (v) marketing and leasing plan; (vi) property maintenance and liability insurance coverage; (vii) periodic reporting to any investors or lenders; and (viii) monitoring investment sales market to maximize the returns of each investment.

The Adviser does not generate fee income through affiliated asset management companies. The Adviser believes this structure creates a conflict with Investors by incentivizing the manager to hold an asset to preserve fee income rather than optimizing investment returns. Where applicable, the Adviser seeks to utilize best in class, third-party asset-level managers with terminable contracts for each project to enhance Investor alignment.

In addition to regular weekly pipeline meetings, the Adviser holds tri-annual asset management meetings where each investment is reviewed with a detailed analysis of

operating, capital and, if applicable, disposition strategies. The Adviser's CFO/COO, has an ongoing responsibility to analyze the entire portfolio for risk. This analysis includes testing fund-level concentration risks and self-imposed fund-level leverage limitations.

Exit Strategy

A critical component of the Adviser's investment strategy is ensuring that each investment's strategic business plan includes multiple exit options. In general, the Adviser underwrites a base case that exceeds target returns of a Fund, as well as prepares a downside case that covers the minimum targeted preferred return. If the investment committee determines it is an appropriate time to exit an investment, the Adviser utilizes its disposition experience and industry relationships to pursue multiple exit strategies with the intent to maximize proceeds and create liquidity.

Risk Management

Risk management and capital preservation are cornerstones of the Adviser's investment philosophy. The Adviser emphasizes risk-adjusted returns, often forgoing potential upside for downside protection. The Adviser strives to diligently identify and understand potential threats to an opportunity as a top priority. The Adviser disfavors investing in deals with binary outcomes that may result in a significant loss of invested equity instead.

- B. The Adviser's investment strategy focuses on real estate private equity transactions which involve a high degree of business and financial risk that can result in substantial losses and is suitable only for investors prepared to bear such risk. The risks factors below are not intended to be exhaustive. Prospective Investors in a Fund should carefully review the risks described in the applicable Fund's Governing Documents.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for a Fund's investments, and hence, most of a Fund's investments will be difficult to value. Certain investments may be distributed in kind to Investors. It may be difficult to liquidate such investments received at a price or within a time period that is determined to be ideal by the Investors. After a distribution of an investment is made to Investors, many Investors may decide to liquidate such investment within a short period of time, which could have an adverse impact on the price of such investment. The price at which the investment may be sold by the Investors may be lower than the value of the investment determined pursuant to the applicable Governing Documents, including the value used to determine the amount of Carried Interest available with respect to such investment.

Future and Past Performance. The performance of the Adviser's prior investments is not necessarily indicative of a Fund's future results. While the Adviser intends for each Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that the targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Concentration of Investments. A Fund may participate in a limited number of investments and may seek to make several investments in certain regions or sectors within a short period of time. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular sector may substantially affect its aggregate return.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing real estate and real estate-related transactions is highly competitive and involves a high degree of uncertainty. It is possible that a Fund will never be fully invested if sufficiently attractive investments are not identified. However, Investors will be required to pay Management Fees during the Fund's Commitment Period based on the entire amount of the Investors' capital commitments and other expenses as set forth in the applicable Governing Documents.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire investments, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its investments to execute their respective operations and to receive an attractive multiple of earnings upon disposition. This may slow the rate of future investments by a Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon a Fund's investments.

Market Conditions. The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of investments and economic conditions generally may reduce the availability of attractive investment opportunities for a Fund and may affect the Adviser's ability to make investments. Instability in the markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in a Fund's investments and could have a negative impact on the performance and/or valuation of the investments. A Fund's performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Adviser to sell and/or partially dispose of a Fund's investments. Such adverse effects may include the requirement of a Fund to pay break-up, termination or other fees and expenses in the event the Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Adviser to dispose of Fund investments at prices that the Adviser believes reflect the fair value of such investments.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment.

Furthermore, the expenses of operating a Fund (and the Management Fee payable to the Adviser) may exceed its income, thereby requiring that the difference be paid from such Fund capital, including unfunded capital commitments.

Limited Transferability. There will be no public market for Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the applicable Governing Documents and applicable securities laws. In general, transfers of Fund interests are not permitted. In addition, the Fund interests are not redeemable.

Leveraged Investments. A Fund may employ leverage in the acquisition, operation and ownership of its investments and may refinance its investments, if desirable. Debt could take the form of mortgage or other financing at the property level or ownership level. Such use of leverage generally magnifies a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by a Fund will also result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. Leveraged investments may be subject to restrictive financial and operating covenants and a Fund may provide guarantees in order to secure such leverage. In the event an investment cannot generate adequate cash flow to meet debt service, a Fund may suffer a partial or total loss of capital invested in the investment, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of an investment, the Fund may not achieve an exit capitalization rate consistent with its forecasts. A Fund may also borrow money or guaranty indebtedness (such as a guaranty of an investment's debt). A Fund may incur leverage on a joint and several basis with one or more other investment funds and entities managed by the Adviser, and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by Investors and such Investors' contributions may be required to be made directly to one or more lenders, or an account pledged as collateral to such lender(s), instead of the Fund.

Reliance on the Adviser. Control over the operation of each Fund is vested entirely with the Adviser, and each Fund's future profitability depends largely upon the business and investment acumen of the Adviser and the principals of the Adviser. The loss of service of one or more of the principals could have an adverse effect on a Fund's ability to realize its investment objectives. In addition, the Adviser may manage multiple Funds and may need to devote substantial amounts of their time to the investment activities of various Funds, which may pose conflicts of interest in the allocation of the time of the Adviser's principals. Investors generally have no right or power to take part in the management of a Fund, and as a result, the investment performance of the Fund depends on the actions of the Adviser. In addition, certain changes in the Adviser or circumstances relating to the Adviser may have an adverse effect on a Fund or one or more of its real estate and real estate-related assets, including potential acceleration of debt facilities.

Inability to Execute Business Plan. There can be no assurance that the Adviser will be able to execute the business plan for a Fund or any or all of a Fund's investments. Unforeseen

factors may arise that the Adviser is not in a position to control, which may interrupt the Adviser's investment program and/or negatively impact returns on a Fund's investments. For example, opportunities to renegotiate or restructure existing, unfavorable debt with respect to a Fund investment may be limited due to the existence of conflicting priorities of lenders or other third parties. Alternatively, in the case of an investment by a Fund in a real estate-related loan or debt security, the Fund may (subject to contractual protection limiting such exposure) be subject to borrowers re-paying such mortgage debts earlier than anticipated and as such, be exposed to downside prepayment risk, which may impact the returns with respect to such an investment. Furthermore, an applicable tax regime or regulation, such as planning or zoning regulations with respect to development projects that may have made a particular Fund investment desirable upon acquisition, may be subsequently varied or amended and, as a consequence, the Fund investment may no longer achieve the same returns as originally anticipated.

Conflicting Investor Interests. Investors may have conflicting investment, tax, and other interests with respect to their investments in a Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the Adviser regarding an investment that may be more beneficial to one Investor than another. In structuring, acquiring and disposing of investments, the Adviser generally will consider the investment, tax and other objectives of a Fund and its Investors as a whole, not the investment, tax, or other objectives of any Investor individually.

Dilution. Investors admitted or that increase their respective capital commitments to a Fund at subsequent closings generally will participate in then-existing investments of the Fund, thereby diluting the interests of existing Investors in such investments. Although any such new Investors will be required to contribute their pro rata share of previously made capital contributions, there can be no assurance that these contributions will reflect the fair value of the Fund's existing investments at the time of such contributions.

Controlling Person Liability. The exercise of control over an entity can impose additional risks of liability for environmental damage, failure to supervise management, violation of government regulations (including securities laws) or other types of liability in which the limited liability characteristic of business ownership may be ignored. If these liabilities were to arise, a Fund might suffer a significant loss.

Limitation on Recourse and Indemnification. A Fund's Governing Documents will limit the circumstances under which the Adviser and its affiliates will be held liable to the Fund. As a result, Investors may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, a Fund's Governing Documents will provide that the Fund will indemnify the Adviser and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of the Fund. Such indemnification obligations could materially impact the returns to Investors.

Projections. Projected performance for a Fund's investments normally are based primarily on financial projections. In all cases, projections are only estimates of future results that are based upon information relating to investments and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Need for Follow-On Investments. Following its initial investment in any investment, a Fund may decide to invest additional funds in such investment or may have the opportunity to increase its investment in such investment by investing in additional real estate assets related thereto (whether for opportunistic reasons, to fund the needs of the investment, as an equity cure under applicable debt documents or for other reasons). There is no assurance that a Fund will make follow-on investments, that a Fund will be permitted to make follow-on investments due to certain restrictions on the Fund's ability to make such investments set forth in the applicable Governing Documents or that a Fund will have sufficient funds to make all or any of such investments (including an event of default under applicable debt documents in the event an equity cure cannot be made). Any decision by the Adviser not to make follow-on investments or a Fund's inability to make such investments may have a substantial negative effect on a particular real estate asset in need of such an investment.

Hedging Arrangements. The Adviser may (but is not obligated to) endeavor to manage a Fund's or any investment's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. A Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled.

Potential Restrictive Covenants. A Fund may enter into a credit facility with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments). It is anticipated that any such credit facility will contain a number of common covenants that, among other things, might restrict the ability of a Fund to: acquire or dispose of assets or businesses; incur additional indebtedness; make expenditures, distributions or capital calls; create liens on assets; enter into leases, investments or acquisitions; consent to transfers of interests in the Fund; make amendments to the governing documents of the Fund; or engage in certain transactions with affiliates, and otherwise restrict activities of the Fund without the consent of the lenders. In addition, such a credit facility could likely require the Fund to maintain specified financial ratios and comply with tests, including minimum interest coverage ratios, maximum leverage ratios, minimum net worth and minimum equity capitalization requirements.

Changes in Governmental Scrutiny and Certain Effects of Potential Regulatory Changes.

There continue to be discussions regarding changes in governmental scrutiny and/or shifts in the regulation of the private equity industry. These changes may have an impact on the Adviser's activities, including the ability of the Adviser to effectively and timely address such regulations, execute its investment strategy or achieve its investment objectives.

- C. Investments by a Fund in real estate investments and debt investments involve a high degree of business and financial risk that can result in substantial losses and is suitable only for investors prepared to bear such risk. The risks factors below are not intended to be

exhaustive. Prospective Investors in a Fund should carefully review the risks described in the applicable Fund's Governing Documents.

General Real Estate Risks. Fund investments will be subject to the risks incidental to the ownership and operation of real estate and real estate-related businesses and assets, including changes in the general economic climate, local, national or international conditions (such as an oversupply of space or a reduction in demand for space), the quality and philosophy of management, competition based on rental rates, attractiveness and location of the properties and changes in the relative popularity of property types and locations, changes in the financial condition of tenants, buyers and sellers of properties, changes in operating costs and expenses, uninsured losses or delays from casualties or condemnation, changes in applicable laws, government regulations (including those governing usage, improvement and zoning) and fiscal policies, the availability of financing, interest rate levels, environmental liabilities, contingent liabilities, successor liability for investments in existing entities (e.g., buying out a distressed partner or acquiring an interest in an entity that owns a real property), acts of God, acts of war (declared or undeclared), terrorist acts, work stoppages, shortages of labor, strikes, union relations and contracts, fluctuating prices and supply of labor and/or other labor-related factors and other factors beyond the control of the Adviser.

Development and Construction or Renovation Risks. A Fund's investments may include acquisition of direct or indirect interests in undeveloped land or underdeveloped real property (which may often be non-income producing), real estate developments or redevelopments and/or businesses that engage in real estate development or redevelopment. To the extent that a Fund invests in such assets or activities, it will be subject to the risks normally associated with such assets and development activities, including the possibility of development cost overruns and delays due to various factors (including inclement weather, labor or material shortages, the unavailability of construction and permanent financing and timely receipt of zoning and other regulatory approvals), the availability of both construction and permanent financing on favorable terms and market or site deterioration after acquisition. Any unanticipated delays or expenses could have an adverse effect on the results of operations and financial condition of a Fund. Properties under development or properties acquired for development may receive little or no cash flow from the date of acquisition through the date of completion of development and may continue to experience operating deficits after the date of completion. In addition, market conditions may change during the course of development that make such development less attractive than at the time it was commenced.

Competition with Other Owners of Commercial Property. A Fund will face significant competition from other developers, owners and operators of similar properties in the same markets and may be in competition with other properties owned or managed by the Adviser for other client accounts. This competition may affect a Fund's ability to attract and retain tenants and may reduce the rents the Fund is able to charge. Additionally, when the Fund seeks to sell its properties, it will compete with other owners of commercial properties, which, in certain instances, may include the Adviser for other client accounts, in connection with the sale of properties.

Third Party Involvement. Certain of a Fund's investments may be made as a co-venturer or partner with the seller of the property, an affiliate of the seller, an investor in the Fund or other third parties. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that: (i) the Fund and such co-venturer may reach an impasse on a major decision that requires the approval of both parties; (ii) a co-

venturer or partner of the Fund may at any time have economic or business interests or goals that are inconsistent with those of the Fund; (iii) the co-venturer or partner may encounter liquidity or insolvency issues or may become bankrupt; (iv) the co-venturer or partner may be in a position to take action contrary to the Fund's investment objective; (v) the co-venturer or partner may take actions that subject the property to liabilities in excess of, or other than, those contemplated; or (vi) in certain circumstances the Fund may be liable for actions of its co-venturers or partners. In addition, a Fund may rely upon the abilities and management expertise of a co-venturer or partner. It may also be more difficult for a Fund to sell its interest in any joint venture, partnership or entity with other owners than to sell its interest in other types of investments. A Fund may grant co-venturers or partners joint approval rights with respect to major decisions concerning the management and disposition of the investment, which would increase the risk of deadlocks. A deadlock could delay the execution of the business plan for the investment or require a Fund to engage in a buy-sell of the venture with the co-venturer or partner or conduct the forced sale of such investment. As a result of these risks, a Fund may be unable to fully realize its expected return on any such investment. Further, to the extent that a Fund offers any co-investment opportunity to any Investors or third parties, some or all of the risks described above may also apply to such co-investments.

Co-Investments. The Adviser may provide or commit to provide co-investment opportunities to one or more Investors and/or other persons. Conflicts of interest may arise in the allocation of the co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the Adviser, may not be in the best interests of a Fund or any individual Investor. In exercising its discretion in connection with such co-investment opportunities, the Adviser may consider some or all of a wide range of factors, which may include the likelihood that an investor may invest in a future Fund sponsored by the Adviser or its affiliates. A Fund may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the Fund, or may be in a position to take action contrary to the investment objectives of the Fund. In addition, a Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner.

Reliance on Third-Party Developers and Operating Partners. The Adviser will likely rely on third parties (some of which may also become venture partners with a Fund) to act as developers or operating partners in connection with the development, construction or renovation of a Fund's properties. This reliance on third-party developers or operating partners may increase the costs to a Fund through the payment of development fees, incentive fees and other amounts, and may increase the risks of development to a Fund if, and to the extent, such a developer fails or is unable to comply with agreed-upon plans, budgets or timetables.

Litigation. In the ordinary course of its business, a Fund may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of the Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the Adviser's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Insurance May Not Cover All Losses. Uninsured and underinsured losses at the Fund level or investment level could harm a Fund's overall financial condition, results of operations and ability to make distributions to its Investors. Certain types of losses generally are either uninsurable (or not economically insurable) or may be subject to insurance coverage limitations. Should an uninsured loss or a loss in excess of insured limits occur, a Fund could lose all or a portion of the capital it has invested in an investment, as well as the anticipated future revenue from the investment. These same risks apply to any capital deployed by an investment of a Fund. In that event, the Fund and/or its investment might nevertheless remain obligated for any notes payable or other financial obligations related to the investment, in addition to obligations to the Fund's and/or its investment's ground lessors, franchisors and managers. Inflation, changes in building codes and ordinances, environmental considerations, provisions in loan documents encumbering the investments pledged as collateral for loans, and other factors might also keep a Fund and/or its investment from using insurance proceeds to replace or renovate an investment after it has been damaged or destroyed. Under those circumstances, the insurance proceeds the Fund and/or its investment receives might be inadequate.

Potential Environmental Liabilities. Under various federal, state and local laws, ordinances and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefore as to any property are generally not limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the owner's ability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on a Fund's return from such investment.

Harmful Mold and Other Air Quality Issues. When excessive moisture accumulates in buildings or on building materials, mold may grow, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of a Fund's properties could require the Fund to undertake a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. In addition, the presence of significant mold or other airborne contaminants could expose a Fund to liability from its tenants, employees of its tenants and others if property damage or health concerns arise.

Public Health Emergencies; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and the current outbreak of COVID-19, have resulted and are resulting in market volatility and disruption, and COVID-19 and any future such emergencies have the potential

to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to a Fund.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to a Fund. The extent of the impact on a Fund and its portfolio investments' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy a Fund intends to pursue, all of which could adversely affect a Fund's ability to fulfill its investment objectives. They may also impair the ability of portfolio investments or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of a Fund, its portfolio investments, and the Adviser may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Americans with Disabilities Act and Similar Laws. Under the Americans with Disabilities Act of 1990 (the "ADA"), all public accommodations must meet federal requirements related to access and use by disabled persons. If one or more of the properties in a Fund's portfolio does not comply with the ADA, then the Fund may be required to incur costs to bring the property into compliance, which may or may not have been foreseen at the time of acquisition. Future changes to federal, state and local laws also may require modifications to a Fund's properties, or restrict the Fund's ability to renovate its properties. The Adviser cannot predict the ultimate cost of compliance with the ADA or other legislation. If a Fund incurs substantial costs to comply with the ADA and any other similar legislation, the Fund's financial condition, results of operations, cash flow, cash available for distribution and ability to satisfy its debt service obligations could be materially adversely affected.

Casualty and Condemnation. Investments in real estate are subject to the risks of partial or total condemnation in accordance with applicable law or regulation and casualty, whether arising from destruction by fire, earthquake, flood, hurricane or otherwise. In either case, a Fund's investments (depending on such investments' status as lender, borrower or equity owner) may be subject to one or more of the following liabilities: (i) lenders may require prepayments of outstanding loans with any proceeds arising from a casualty or condemnation recovery event (i.e., insurance coverage); (ii) insurance coverage may not be sufficient to cover renewal of an investment; (iii) renovations or developments with respect to an investment may be delayed; and (iv) a seller may bear the risk of loss for such casualty or condemnation in connection with the disposition of an investment through the date of disposition.

Contingent Liabilities on Disposition of Investments. In connection with the disposition of any investment, a Fund may be required to make representations about such investment. A Fund also may be required to indemnify the purchaser of such investment to the extent that any such representations are inaccurate or as a result of any statutorily imposed liability for construction defects. These circumstances may result in the incurrence of contingent liabilities for which the Adviser may establish reserves or escrow accounts. However, these reserves or accounts (if any) may be insufficient to cover such liabilities and/or such liabilities may be uninsurable (or not economically insurable) or may be subject to insurance coverage limitations. Subject to any limitations in the a Fund's Governing Documents, each Investor (including any former Investor) may be required to return distributions made to such Investor for the purpose of meeting such Investor's share of a Fund's obligations (including any indemnification obligations) or liabilities, including those arising from the operation, sale or disposition of any investment.

Distressed Investments. A Fund may purchase, directly or indirectly, investments that are experiencing significant financial or business distress, including securities, companies or real estate assets involved in bankruptcy or other reorganization and liquidation proceedings. Many of these investments ordinarily remain unpaid unless and until the investment is reorganized and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. A wide variety of considerations, including, for example, the possibility of litigation between the participants in a reorganization or liquidation proceeding or a requirement to obtain mandatory or discretionary consents from various governmental authorities or others may affect the value of these investments. The uncertainties inherent in evaluating such investments may be increased by legal and practical considerations which limit the Adviser's access to reliable and timely information concerning material developments affecting an investment, or which cause lengthy delays in the completion of the liquidation or reorganization proceedings. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action.

Impact of Government Regulations. Government authorities at all levels are actively involved in the regulation of land use and zoning, environmental protection and safety and other matters affecting the ownership, use and operation of real property. Regulations may be promulgated that could restrict or curtail certain usages of existing structures, or require that such structures be renovated or altered in some manner. The promulgation and enforcement of such regulations could increase expenses, and lower the income or rate of return, as well as adversely affect the value of any of a Fund's investments. Operators are also subject to laws governing their relationship with employees, including minimum wage requirements, overtime, working conditions and work permit requirements. Compliance with, or changes in, these laws could reduce the revenue and profitability of a Fund. In addition, regulation of the leasing of residential property by many state and local governments includes controls over rents that may be charged to tenants. Such regulations often impose limits on rent increases and may require that properties comply with specified requirements as a precondition for rent increases.

Investments in Real Estate Debt. A Fund may hold direct or indirect investments in certain real estate-related debt instruments. In addition to the risks of borrower default (including loss of principal and nonpayment of interest) and the risks associated with real estate investments generally, real-estate related debt investments are subject to a variety of risks,

including the risks of illiquidity, lack of control, mismanagement or decline in value of collateral, contested foreclosures, bankruptcy of the debtor, claims for lender liability, violations of usury laws and the imposition of common law or statutory restrictions on the exercise of contractual remedies for defaults of such investments. Debt investments have special inherent risks relative to collateral value. In the event of default, the source of repayment is limited to the value of the collateral and may be subordinate to other lien holders (and the collateral value of the property may be less than the outstanding amount of the investment). Real estate loans acquired by a Fund may be at the time of their acquisition, or may become after origination, participation or acquisition, non-performing for a wide variety of reasons. Non-performing real estate loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such loan. To the extent that a Fund purchases partial interests in non-performing loans, the Fund may not have control over the workout process and the management of the real estate assets. It may be necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by a Fund, and the foreclosure process can be lengthy and expensive.

For a more complete description of the risks associated with investing in a Fund, investors should refer to the relevant Governing Documents for each Fund.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of the adviser or the integrity of adviser's management.

There are no legal or disciplinary events that are material to an evaluation of the Adviser's advisory services or the integrity of management.

Item 10 - Other Financial Industry Activities and Affiliations

- A. The Adviser is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of the Adviser are registered representatives of a broker-dealer.
- B. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. Affiliates of the Adviser serve as general partner or in a similar capacity. For a description of the conflicts of interest created by the relationship among the Adviser and the General Partners, see “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” below.
- D. The Adviser does not recommend or select other investment advisers for the Funds.

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

- A. The Adviser has adopted a written Code of Ethics (the “Code”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Advisers Act. The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Adviser's employees. The Code contains policies and procedures that ensure that all personal securities trading by employees of the Adviser is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. The Adviser prohibits personal trading on certain securities or instruments; requires pre-clearance of personal trades in certain circumstances, including purchases of an initial public offering or “IPO” or a new private placement; requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

While the Adviser very rarely has access to non-public information relating to public companies, as part of its Code, the Adviser has established procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of the Adviser would make information barriers impractical, the firm has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, all professionals are deemed to be in receipt of material, non-public information, in all instances where any professional of the Adviser has received material, non- public information, and, therefore, may not trade on the basis of that information.

The Adviser will provide a copy of the Code to any Investor or prospective investor upon request.

- B. As explained in “Other Financial Industry Activities and Affiliations” above, affiliates of the Adviser serve as the general partners of the Funds. The Adviser and the General Partners have financial ownership interests in the Funds and receive a Management Fee and Carried Interest for their services. In addition, the principals of the Adviser generally make significant capital commitments to the Funds. Such amounts may be invested pro rata with the Investors of each Fund in all Fund portfolio investments.

The fact that the Adviser and its affiliates (including the General Partners) and principals have a financial ownership interest in the Funds creates a potential conflict in that it could cause the Adviser to make different investment decisions than if such parties did not have such a financial ownership interest. The Management Fee is payable without regard to the overall success or income earned by the Funds and therefore may create an incentive on the part of the Adviser to raise or otherwise increase assets under management to a higher level than would be the case if the Adviser were receiving a lower or no Management Fee. The Carried Interest may create an incentive for the Adviser to make investments that are riskier or more speculative (or less risky and less speculative) than in the absence of such a Carried Interest. However, the Adviser believes that the meaningful personal investments of the principals in the Funds, as well as the Carried Interest, operate to align, to some extent, the interest of the Adviser's principals with the interest of the Funds. In addition, as noted above, the Adviser has implemented the Code which governs the conduct of its employees. The Code requires the Adviser's employees to place the interests of the Funds over their own or those of the Adviser.

C. See above.

- D. A Fund may invest together with other Funds advised by the Adviser in the manner set forth in the applicable Governing Documents, including other Funds in which principals of the Adviser has committed capital (see above). The Adviser will allocate investment opportunities or advisory recommendations on a fair and equitable basis, consistent with its fiduciary obligations, the Governing Documents for the relevant Fund and the Adviser's investment allocation policy.

In addition, the Adviser may, in its sole discretion, provide or commit to provide co-investment opportunities to one or more Investors and/or other persons, in each case on terms to be determined by the Adviser in its sole discretion. Conflicts of interest may arise in the allocation such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the Adviser in its sole discretion, may not be in the best interests of a Fund or any individual Investor. In exercising its sole discretion in connection with such co-investment opportunities, the Adviser may consider some or all of a wide range of factors, which may include the likelihood that an investor may invest in a future Fund sponsored by the Adviser or its affiliates.

Item 12 - Brokerage Practices

- A. The Adviser does not often deal with any financial intermediary such as a broker-dealer, and commissions are not often payable in connection with such investments because the Funds' investment strategy does not focus on the acquisition of public securities. To the limited extent that the Adviser may transact in public securities for the Funds, the Adviser intends to follow the brokerage practices described below.

If the Adviser transacts in publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect such securities transactions. In such event, the Adviser will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Adviser may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; (iv) gross compensation paid to the broker; and (v) the financial strength of the broker.

The Adviser has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting Fund transactions to the extent consistent with the interests of such Funds. Although the Adviser intends to generally seek competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Adviser seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although the Adviser generally does not make use of such services at the current time. As a general matter, research provided by these brokers would be used to service all of the Funds. However, each and every research service may not be used for the benefit of each and every Fund, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund. To the extent that the Adviser allocates brokerage business on the basis of research services, it may have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on the Funds' interest in receiving most favorable execution.

In addition, the Adviser may receive ancillary benefits from real estate brokers used by the Adviser for the Funds' non-securities transactions, such as the purchase or sale of real estate property. Such benefits may include research services, introductions to sellers, buyers, lenders and other service providers, underwriting services, and such other services typically provided by real estate brokers to their clients. The Adviser does not select real estate brokers based on the potential to receive any ancillary benefits and does not cause any Fund to pay a higher commission than those charged by other real estate brokers in return for these benefits.

- B. To the extent that the Adviser transacts in public securities for the Funds, the Adviser may aggregate transactions among the Funds when expected to be in the best interest of all participants and in compliance with the applicable Funds' Governing Documents. If and when applicable, the Adviser will allocate aggregated transactions in accordance with the applicable Funds' Governing Documents and on terms and conditions that are substantially the same, unless specific legal, tax, regulatory or other restrictions apply.

Item 13 - Review of Accounts

- A. The Adviser maintains comprehensive review procedures for the ongoing monitoring of portfolio investments. In connection therewith, the Adviser holds tri-annual asset management meetings where each investment is reviewed with a detailed analysis of operating capital and capital strategies. All firm investment and operational staff participate in this meeting. The Adviser's CFO/COO, has an ongoing responsibility to analyze the entire portfolio for risk. This analysis includes testing fund-level concentration risks and self-imposed fund-level leverage limitations.
- B. See previous response.
- C. Annually, Fund Investors generally receive (i) audited financial statements for the applicable Fund prepared in accordance with U.S. generally accepted accounting principles; (ii) tax information necessary for the completion of tax returns; (iii) descriptive investment and valuation information for the applicable Fund's investments; (iv) a capital account statement; and (v) other information in accordance with the applicable Governing Documents.

In addition, on a quarterly basis, Investors generally receive (i) unaudited quarterly financial statements prepared in accordance with U.S. generally accepted accounting principles; (ii) a list of the Fund's investments; (iii) a descriptive summary of each new applicable Fund investment and each investment disposed of by the applicable Fund; (iv) a capital account statement; and (v) other information in accordance with the applicable Governing Documents.

Item 14 - Client Referrals and Other Compensation

- A. As discussed in “Fees and Compensation” above, the Adviser and its affiliates may receive certain fees in connection with the Fund’s investments, including Transaction Fees. As described in the applicable Fund’s Governing Documents, the Management Fee payable by a Fund will generally be reduced by one hundred percent (100%) of the amounts of any of these Transaction Fees received by the Adviser or its affiliates with respect to such Fund’s investments.
- B. In connection with organizing and offering interests in the Funds, the Adviser has from time to time and may in the future continue to enter into agreements with certain placement agents that provide for compensation to be paid to the placement agents for referring Investors to the Funds. Such placement agents have received and may continue to receive placement fees (typically a percentage of the capital commitments attributable to each Investor referred). The fees due to such placement agents have been and will continue to be the obligation of the Adviser and its affiliates and will not be borne by the Funds.

Item 15 - Custody

The Adviser may be deemed under Rule 206(4)-2 of the Advisers Act to have custody of the assets of the Funds by virtue of the fact that it is under common control with the General Partner of each Fund. All cash and securities of the Funds are held by qualified custodians with the exception of securities that are considered to be “privately offered securities” under Rule 206(4)-2(b). Investors in each Fund receive annual financial statements audited by an independent public accounting firm within 120 days of each Fund’s fiscal year end. Fund Investors are urged to carefully review such statements.

Item 16 - Investment Discretion

The Adviser exercises its discretion in managing the investments of each Fund subject to the Fund's particular investment objectives, policies, and strategies disclosed in its Governing Documents. In connection with this discretionary authority, the Adviser selects portfolio investments for each Fund. The Adviser exercises its discretionary authority over the assets of the Funds through a management agreement entered into with the General Partner of each Fund.

Item 17 - Voting Client Securities

While the Adviser technically has proxy voting authority on behalf of the Funds, the Adviser generally does not expect to be called upon to vote with respect to securities owned by the Funds since the Funds' investment strategy generally involves acquiring direct real estate property investments and real estate loans. To the limited extent that the Adviser may vote with respect to securities owned by the Funds, the Adviser will do so in accordance with its written proxy voting policies and procedures, which are described below.

The Adviser's policy is to exercise proxy votes in the best interest of the Funds after taking into consideration all relevant factors, including without limitation, acting in a manner that the Adviser believes will: (i) maximize the economic benefits to the Funds and (ii) promote sound corporate governance by the issuer. The Adviser will attempt to identify actual or potential conflicts of interest that could compromise the independence of voting decisions when voting a proxy on behalf of a Fund. Where a material conflict of interest is identified, the Adviser generally will attempt to resolve the conflict before voting a proxy. The Adviser may determine not to vote proxies if it determines that it would be in the Fund's overall best interest not to vote. Investors generally may not direct or otherwise influence votes with respect to any particular proxy solicitation.

The Adviser will provide a copy of the proxy voting policies and procedures to any Investor or prospective investor upon request.

Item 18 - Financial Information

- A. The Adviser does not require or solicit prepayment of any fees six months or more in advance.
- B. The Adviser does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the Funds.
- C. The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.