



Form ADV Part 2A: Firm Brochure

Breakthrough Services, L.L.C.

January 30, 2024

Principal Office

Breakthrough Services, L.L.C.
2029 Century Park East, Suite 1370,
Los Angeles, CA 90067
213-378-1801
www.btprop.com

This brochure provides information about the qualifications and business practices of Breakthrough Services, L.L.C. (collectively the “Adviser”). For more information on the disclosure requirements required for Part 2A see the “General Instructions for Part 2 of Form ADV” by visiting www.sec.gov/rules/final/2010/ia-3060.pdf. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Jennifer Warne, at (425) 351-7857 or email jwarne@btprop.com.

Additional information about the Adviser is also available on the SEC’s website at: www.adviserinfo.sec.gov.

The Adviser is registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Item 2: Material Changes

There have been no material changes since our last annual amendment filed on June 2, 2023. The Adviser amended this Form ADV filing in order to change the contact information throughout this document. Jennifer Warne will assume the role of Chief Compliance Officer from Lesley Chao.

The Brochure is compiled by the Adviser to provide new and prospective clients and investors with clearly written, meaningful, current disclosure of its business practices, conflicts of interest, and background of its advisory personnel. We encourage all recipients of this Brochure to read it carefully in its entirety.

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Item 4: Advisory Business

Breakthrough Services, L.L.C. (the “Adviser”) is a Delaware limited liability company, founded in 2019. Breakthrough Properties (“Breakthrough”) is a joint venture between Tishman Speyer Properties L.P. (“Tishman Speyer”) and Bellco Capital LLC (“Bellco Capital”).

Breakthrough is a life science real estate investment company that leverages cross-sector collaboration to deliver environments that foster innovation and scientific breakthroughs. The joint venture combines Tishman Speyer’s global real estate platform with Bellco Capital’s life science investment expertise to capitalize on the rapidly expanding, yet substantially undersupplied, life science real estate industry. The Adviser is led by an experienced management team that focuses on acquiring, developing, and operating life science real estate.

Tishman Speyer is a global developer of large, complex mixed-use projects and is best known for innovative approaches to architecture, placemaking, interior design, sustainability, healthy live-work environments, and tenant amenities. Bellco Capital and its partners, Two River Consulting, LLC (“Two River”) and Vida Ventures, LLC and its affiliates (“Vida Ventures”), leverage their founders’ first-hand experience as academic physicians, scientists, and life science entrepreneurs to build, invest, and support companies developing potentially transformative treatments for unmet medical needs. By leveraging the resources provided by both organizations, the Adviser will assemble a portfolio of life science properties and curate dynamic ecosystems that foster collaboration among life science industry leaders.

The Adviser provides investment advice regarding real estate assets in the life science sector to various private funds, as listed in Schedule D, Section 7.B of Part 1 of Form ADV. Collectively each of these entities are referred to as either the Funds or the Client.

The advice provided by the Adviser to the Funds is tailored to meet the investment objectives and restrictions of the Funds, not the investors (each, an “Investor” or “Limited Partner”) in the Funds. The advice provided will be in accordance with the investment objectives, strategies, and restrictions described in the Funds’ Confidential Offering Memorandum, Limited Partnership Agreement (the “Partnership Agreement”), and any other governing agreements (collectively, the “Funds Governing Documents”).

During the period commencing on the initial closing of the Funds and ending no later than the tenth anniversary thereof, Breakthrough expects to raise additional investment vehicles that will primarily make value-add and development investments (each, a “Successor Growth Portfolio”). Breakthrough will also selectively participate in income producing investments through a single “open-end” pool, Breakthrough Properties Income Portfolio, L.P. (the “Funds Income Portfolio”). Further information regarding the Funds, the Successor Growth Portfolios, and the Funds Income Portfolio is available in the Funds Governing Documents.

As of December 31, 2022, the Adviser has approximately \$2,835 million in regulatory assets under management. All assets are being managed on a discretionary basis. Breakthrough or its affiliates also manage direct interests in real estate that do not count as regulatory assets under management and are discussed further in Item 10.

Item 5: Fees and Compensation

Investors should consult the Funds Governing Documents for more details regarding the calculation of fees and expenses.

Management Fees

Each Fund pays the Adviser or its affiliates an annual management fee (“Management Fee”) in accordance with the Offering Documents for that particular Fund. The Management Fees vary from Fund to Fund but are generally no higher than 1.50% of a Limited Partners’ capital commitment or 0.50% of the gross asset value of the Fund. Investors should refer to the Governing Documents for each Fund for a complete understanding of how fees are paid to the Advisor and/or its affiliates.

While the General Partner generally intends to maximize returns on Portfolio Investments for the Funds, it may nonetheless be incentivized to further develop and allocate additional capital to Successor Growth Portfolio investments in light of this fee construct. Additionally, as the Management Fee charged in respect of Funds Income Portfolio will be based on the net asset value of a Limited Partner’s interest therein, Breakthrough Properties and its affiliates are incentivized to cause the Funds Income Portfolio to make investments sooner rather than later, and that are larger in size, in order to collect Management Fees earlier in time, for a longer period of time and in larger amounts.

The Management Fee shall be payable monthly in arrears. Any calculation in respect of a period of less than three months shall be adjusted on a *pro rata* basis according to the actual number of days during such period.

Certain Limited Partners in the Funds may be charged Management Fees at lower rates than other Limited Partners in the Funds or may be exempted from bearing their pro rata share of certain fees and expenses that the Funds is required to pay or reimburse to the Adviser or its affiliates. Such special arrangements are generally provided for in side letter agreements between such Limited Partners and the General Partner, or in the Funds Governing Documents.

Performance Based Compensation

As described in further detail in the Funds Governing Documents, the General Partner will receive performance-based compensation in the form of incentive allocations (the “Incentive Allocations”). For example, the Incentive Allocations for the Breakthrough Properties Growth Portfolio I, L.P. (“Growth Portfolio”) will be equal to 20%, with an annual “preferred return” threshold of 8%.

Organizational and Operating Expenses

The Funds will bear legal, operating, organizational, and offering expenses.

The Funds will be responsible for costs, expenses and liabilities that are incurred by or arise out of the operation and activities of the as determined by the General Partner in its sole discretion, including: (a) the Management Fee; (b) Property Level Fees and related expenses; (c) Scientific

Advisory Board Fees and related expenses; (d) fees and expenses relating to consummated portfolio investments, unconsummated investments and temporary investments, including the evaluation, acquisition, holding, development, redevelopment, construction, management, operation and disposition thereof and the sourcing of co-investment capital in connection therewith, to the extent that such fees and expenses are not reimbursed by a third person; (e) interest on and fees and expenses related to or arising from any indebtedness or hedging activities of the Funds; (f) premiums for insurance protecting the Funds and any covered person from liabilities to third persons in connection with the investment and other activities of the Funds; (g) legal, custodial, administration, auditing, accounting, regulatory, tax, and compliance expenses, including expenses associated with (i) the preparation of the financial statements, tax returns and Schedule K-1s of the Funds and the representation of the Funds or the Partners by the partnership representative, (ii) compliance with the AIFM Directive and (iii) Form PF, U.S. Treasury forms and FATCA compliance, in each case as relates specifically to the Funds or any property of the Funds, but excluding, for the avoidance of doubt, costs of Breakthrough's general compliance with the Advisers Act, such as those relating to the preparation and updating of the Form ADV; (h) banking and consulting expenses; (i) appraisal and valuation costs and expenses, including costs and expenses of independent appraisal or valuation services or third-party vendor price quotations; (j) costs and expenses related to organizing any Person, including any REIT subsidiary or any alternative investment vehicle, through or in which portfolio investments may be made or held; (k) expenses of the Advisory Board; (l) reasonable meal, travel, and entertainment expenses related to the activities and investments of the Funds; (m) costs and expenses that are classified as extraordinary expenses under GAAP; (n) except as otherwise provided in the Partnership Agreement, taxes and other governmental charges, fees and duties payable by the Funds; (o) damages and other costs and expenses relating to costs of litigation or other matters that are the subject of the indemnification obligations of the Funds under the Partnership Agreement; (p) costs of reporting to the Limited Partners and to governmental authorities with respect to the Limited Partners, the Funds or the activities or investments of the Funds; (q) costs of communications and meetings with Limited Partners and expenses related to ongoing investor relations (including licensing, implementing, maintaining, or otherwise utilizing any online reporting websites or portals, data rooms, secure-file transfer services and customer relationship management software); (r) costs associated with attending any industry conferences (including any travel costs related thereto); (s) costs, fees and expenses of any third-party advisor or consultant to the Funds; (t) costs associated with the transfer of a Limited Partner's interest in the Funds, to the extent not borne by such Limited Partner or the transferee; (u) costs of winding up, liquidating and terminating the Funds; (v) all annual registration fees and registered office fees and expenses; (w) costs associated with any feeder fund (other than any taxes of such feeder fund); and (x) Breakthrough Costs attributable to providing legal, accounting, tax advisory, tax compliance and other corporate services to the Funds or any property of the Funds; but not including organizational expenses of the Funds.

Property Level Fees for Services

The Funds or their affiliates retain affiliates of Breakthrough to provide property management, leasing, development, construction management, and tenant improvement services pursuant to agreements in substantially the same form as agreements used by Breakthrough in the applicable local market. In instances where Breakthrough or its affiliates do not act as general contractor for tenant improvements, Breakthrough or its affiliates will be entitled to receive an oversight fee based on the amount of the tenant allowance provided by the landlord. Breakthrough and its affiliates will

charge the Funds fees for providing these property level services and further information regarding those fees are described in the Funds Governing Documents.

Development fees are charged with respect to ground-up developments and large-scale redevelopment/refurbishment projects. Construction management fees are charged with respect to tenant improvements/buildouts and routine redevelopment/refurbishment projects. The Funds or their affiliates will also reimburse Breakthrough, when acting as property manager, leasing agent, developer, construction manager consultant or advisor with respect to any property investment, for customary out-of-pocket expenses incurred in the performance of their duties, and will reimburse such property manager, developer, construction manager, consultant or advisor (but not leasing agent) for the Breakthrough Costs (as defined below) incurred in relation to such roles.

“Breakthrough Costs” means the internal costs and expenses of the General Partner, the Adviser and its affiliates, including (a) compensation payable to employees of the Adviser or its affiliates (including base salaries, bonuses, medical benefits, retirement benefits, payroll taxes, severance payments, transportation benefits, expatriate cost-of-living allowances (such as housing reimbursement, leasing of vehicles, student tuition payments, relocation and moving costs and travel-related expenses for periodic visits home), transaction visits and other fringe benefits) and (b) overhead (dues/subscriptions, space and equipment rental, insurance, utilities, supplies, information technology-related expenses, dues and subscriptions, and support functions such as human resources, mailroom staff, receptionists, information technology staff, administrative assistants and records management, as well as search agency fees incurred in recruiting employees).

Scientific Advisory Board Fees

Breakthrough has established a Scientific Advisory Board of leading scientists, entrepreneurs, CEOs, and venture capital investors to provide a variety of services to the Breakthrough team in order to support the growth of the platform. The Scientific Advisory Board members are not employees of Breakthrough. The Scientific Advisory Board will be entitled to receive fees in connection with the services it performs with respect to any portfolio property (the “Scientific Advisory Board Fees”). Any Scientific Advisory Board fees shall be solely for the benefit of the Scientific Advisory Board and will not be shared with the Funds. The Scientific Advisory Board members will also be entitled to be reimbursed for customary out-of-pocket expenses incurred in providing services to the Funds and any portfolio property.

Co-Investments

The General Partner may, in its discretion, structure any co-investment opportunity such that participants in such co-investment opportunity (other than participants with discretionary capital managed by the Adviser) do not bear any broken deal expenses, with the result that the Funds may bear all such expenses, costs, and fees. In addition, the General Partner may agree with certain investors or as part of an overall strategic relationship with Breakthrough Properties to more favorable rights with respect to co-investment opportunities, and to the extent any such arrangements are entered into they may result in fewer co-investment opportunities being made available to investors. It is expected that many investors who may have expressed an interest in co-investment opportunities may not be allocated any co-investment opportunities or may receive a

smaller amount of co-investment opportunities than the amount requested. Moreover, transaction-specific returns, and an investor's overall returns from its exposure to the Funds' investments, may be affected significantly by the extent to which investors are offered and choose to participate in co-investment opportunities.

Advisory Boards

The Funds will indemnify the members of the Advisory Boards for their services as such and will reimburse the members for their reasonable out-of-pocket expenses.

Side Letters

The General Partner may enter into side letters or other agreements with individual Limited Partners that have the effect of establishing rights under, or altering or supplementing, the terms of the Partnership Agreement. Any rights established, or any terms of the Partnership Agreement altered or supplemented in a side letter with a Limited Partner will govern with respect to such Limited Partner.

Fees For Services Provided to Holding Companies and Third Parties

As discussed further in Item 10, affiliates of the Adviser may provide services to holding companies. Where, for example, an affiliate acts as the manager of a real estate investment trust being used as a holding company, such affiliate may invoice that holding company for fees relating to those management services. Any such fees received by an affiliate in excess of the amounts set forward in the relevant Governing Documents will be offset against the Funds's Management Fee.

Item 6: Performance Based Fees and Side-by-Side Management

As described in Item 5 above and in the Funds Governing Documents, the performance element of the General Partner's compensation, the Incentive Allocations, may create an incentive for the General Partner to make more speculative investments on behalf of the Funds than it would otherwise make. The manner in which the General Partner's entitlement to Incentive Allocations is determined may result in a conflict between its interests and the interests of Limited Partners with respect to the sequence and timing of dispositions of investments.

For example, the members of the General Partner are generally subject to US federal and local income tax (unlike certain of the Limited Partners). Investors should note in this regard that tax reform legislation enacted at the end of 2017 in the US relating to the taxation of incentive allocations/carried interest provides for a lower capital gains tax rate with respect to carried interest in respect of investments held for at least three years. The General Partner may be incentivized to operate the Funds, including to acquire, structure, hold and/or sell investments (including follow-on investments), in a manner that takes into account the tax treatment of its incentive allocations/carried interest. While the General Partner generally intends to seek to maximize pre-tax returns for the Funds as a whole, the General Partner may nonetheless be incentivized, for example, to hold investments longer to ensure long-term capital gains treatment and/or realize investments as dividends entitled to long-term capital gain rates.

The Adviser or its affiliates, may, in the future, manage multiple accounts with different fee and expense structures, including clients that pay fees and expenses lower or higher than those paid by the Funds. In such case, there would be a potential conflict of interest in that the Adviser or its affiliates may have an incentive to provide preferential treatment in terms of time, resources, and investment opportunities to clients paying higher fees and expenses. In addition, if the Adviser receives performance-based fees from one client but not another, it may have an incentive to make riskier or more speculative investment decisions for the client subject to performance fees. The Adviser has adopted investment allocation policies and procedures designed to mitigate these potential conflicts of interest.

Certain Limited Partners in the Funds may be subject to more favorable carried interest arrangements with the General Partner than other Limited Partners. Such special arrangements are generally provided for in side letter agreements between such Limited Partners and the General Partner.

The Funds can also form a joint venture with one or more third-party co-investors in order to acquire one or more specific real estate assets. In such cases, the Adviser or the Funds can be entitled to receive performance-based compensation payments from such third-party co-investors.

Item 7: Types of Clients

The Adviser's clients are the Funds. Currently all Clients are Funds, structured as limited partnerships formed in Delaware and operate pursuant to one or more exemptions from registration under the Investment Company Act of 1940, as amended (the "Investment Company Act"). The Funds may include special purpose vehicles and/or parallel structures established for tax, regulatory, or other considerations.

The Limited Partners in the Funds are institutional investors, high net worth individuals, and "knowledgeable employees" (as defined in the Investment Company Act) of the Adviser and its affiliates. Institutional investors in the Funds may include, but are not limited to, sovereign wealth funds, public and private, foreign and domestic pension plans, governmental pension plans, insurance companies, corporations, state and municipal government agencies and foreign governments, banks and other financial institutions, funds of funds, charitable organizations, foundations, and endowments.

All Limited Partners are subject to applicable suitability requirements. Typically, a \$25 million minimum commitment is required to invest in the Funds, but the minimum may be waived at the discretion of the Adviser on a case-by-case basis.

The General Partner may enter into side letters or other agreements with individual Limited Partners that have the effect of establishing rights under, or altering or supplementing, the terms of the Partnership Agreement. Any rights established, or any terms of the Partnership Agreement altered or supplemented in a side letter with a Limited Partner will govern with respect to such Limited Partner. Such side letters may grant preferential rights and economic terms with respect to the Funds to certain Limited Partners in the Funds relative to those of other Limited Partners. The

opportunity to enter into side letter agreements with the General Partner is not available to all Limited Partners and is generally subject to the General Partner's sole discretion.

Generally, no Limited Partner may withdraw its interests in the Funds, provided that, subject to certain conditions, Limited Partners may transfer their interests therein. Further information regarding transfer and liquidity rights are described in the Funds Governing Documents.

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

Methods of Analysis and Investment Strategies

The Adviser's lab specialists will collaborate with Tishman Speyer's local deal teams and leverage the Belco Capital platform to inform the investment strategy, diligently underwrite tenant credit, and provide differentiated services to support tenants' growth.

The Funds will invest strategically in life science real estate where the team identifies attractive risk adjusted returns with a focus on creating a portfolio of Class A lab properties. Targeted investment profiles include:

- **Build-to-Core:** The Adviser plans to leverage the platform's development expertise and deep understanding of tenant requirements to identify development sites in the path of growth and develop state-of-the-art life science facilities.
- **Reposition-to-Core:** The Adviser will utilize the partnership's network to source and identify both non-life science assets with appropriate physical specifications and outdated existing lab facilities to reposition into Class A life science properties with best in-class amenities and a full-service operational model to create additional value.
- **Buy-to-Core:** The Adviser will seek out attractive core and core-plus acquisition opportunities in primary and emerging markets, driving value through operational and asset management excellence.

The Funds' investments will be located primarily in Boston, San Francisco, San Diego, Seattle, Philadelphia, Raleigh-Durham, Washington DC, New York, Los Angeles, and Chicago (the "Target Markets"). The Funds will target investments in both established and emerging submarkets within the Target Markets.

The Funds will seek to hold Class A properties at an attractive basis over the long run, maximizing value through Class A management and services and benefiting from strong cash-on-cash yields supported by a sticky life science tenant base. The intent of this strategy is for investors in the Funds to assemble a portfolio of strategically located, well-leased properties that have long-term intrinsic value and that are otherwise very difficult to access in the open market. By providing investors with consistent ownership across the entire platform, the Adviser will be well positioned to support high-growth life science companies' space needs on a strategic portfolio basis, driving value creation through enhanced tenant retention. This strategy will allow investors in the Funds to benefit from the continued growth and appreciation of these assets, locking in exposure to high quality, income

generating assets over an extended period of time. In addition, by holding assets long-term, investors will avoid paying repeat transactional and frictional costs upon sale, reduce redeployment risk at inopportune market timing, and manage investments in a more tax-efficient manner relative to closed-end funds.

Investment Risks

An investment in the Funds involves various risks and should therefore be undertaken only by investors capable of evaluating and bearing the risks such investment presents. Such risks include, but are not limited to, those described below. Investors should review the Funds Governing Documents for further information regarding risks associated with an investment in the Funds as applicable.

- **Risk of Loss of Capital.** All investments involve the risk of loss of capital and Limited Partners should be prepared to bear that loss. There can be no assurance that (i) the General Partner will be able to choose, make, and realize investments on behalf of the Funds in any particular property or transaction, (ii) the Funds will be able to generate returns for its Limited Partners or that the returns will be commensurate with the risks of investing in the type of transactions described herein or (iii) a Limited Partner will receive any distributions from the Funds. Accordingly, an investment in the Funds should only be considered by persons who can afford a loss of their entire investment.
- **Risks of real estate ownership.** Any interest in real property, including ownership in vehicles that hold real estate assets, is subject to the risks generally incident to the ownership of real property. Real estate historically has experienced significant fluctuations and cycles in value and is subject to local market conditions that may result in reductions in the value of real property interests. The marketability and value of the Funds real property interests will depend on many factors beyond the control of the General Partner, including:
 - National, regional and local economic conditions (which may be adversely impacted by plant closings, business layoffs, industry slow-downs, weather conditions, natural disasters, and other factors);
 - Local real estate conditions (such as competition from other owners or operators of lab facilities, oversupply of, or insufficient demand for, lab facilities);
 - Perceptions by prospective tenants of the convenience, services, safety, and attractiveness of the properties;
 - Increases in costs of maintenance, insurance, compliance with laws and regulations, and other operating expenses (including energy costs, real estate taxes and compliance with the Americans with Disabilities Act);
 - Change in applicable laws or regulations (including tax laws, land-use and zoning restrictions, rent controls or building codes);

- Potential environmental and other legal liabilities;
 - Changes in interest rate levels;
 - The availability and cost of refinancing that may render the sale or refinancing of a property difficult;
 - The financial condition of tenants, buyers and sellers of properties;
 - The ability to find suitable tenants for the properties and to replace any departing tenants with new tenants;
 - The fact that real estate investments generally cannot be sold quickly; and
 - Various uninsured or uninsurable risks and acts of God, natural disasters, terrorism, and uninsurable losses.
- **Acquisition, Repositioning, Redevelopment, and Development Risks.** Investment in real estate entails the risk that the real estate will fail to perform in accordance with expectations, including operating and leasing expectations. Redevelopment and new project development are subject to numerous risks of construction delays, cost overruns, force majeure or insolvency of building contractors and professional teams that may increase project costs, new project commencement risks, such as the receipt of zoning, planning, occupancy and other required governmental approvals and permits, and the incurrence of development costs in connection with projects that are not pursued to completion, the risk of no or low occupancy, and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the financial condition and results of operations of the Funds and on the amount of funds available for distribution to the Limited Partners, as applicable.
 - **Risks Associated with the Life Science Industry.** Properties associated with the life science industry may require infrastructure improvements that are significantly more costly than improvements to other property types. As the Funds investment strategy relates primarily to properties used by tenants in the life science industry, the operations of the Funds may be adversely affected if the life science industry is impacted by an economic, financial, banking, or public health crisis, or if the life science industry migrates from the US to other countries. Because of the Funds industry focus, events within the life science industry may have a more pronounced effect on the Funds operations. It is common for businesses in the life science industry to undergo mergers or consolidations. Mergers or consolidations of life science entities in the future could reduce the rentable square feet requirements of tenants and prospective tenants, which may adversely impact future revenue from lease payments. In addition, as tenants may include companies in the startup or growth phases of their life cycles, fluctuations in market confidence vested in these companies or adverse changes in economic conditions may result in the inability to collect rental payments

from such tenants. Changes in policy that limit drug prices may reduce the financial incentives for research and development efforts that lead to discovery and production of new therapies and solutions to life-threatening conditions. New policies could adversely affect tenants' businesses, which may reduce the demand for office/laboratory space and negatively impact the Funds operations.

- **Risks Associated with Operations as a Joint Venture.** Breakthrough Properties is a joint venture between Tishman Speyer and Bellco Capital, and key personnel from Tishman Speyer and Bellco Capital provide time, expertise, and services to Breakthrough Properties. Because these persons have competing demands on their time and resources, they may have conflicts of interest in allocating such time between Breakthrough Properties, on the one hand, and Tishman Speyer or Bellco Capital, on the other hand. Additionally, any adverse changes with respect to Tishman Speyer and/or Bellco Capital's revenues, operations or reputations may indirectly affect Breakthrough Properties' reputation and/or its ability to attract tenants.
- **Dead Deal Costs.** Investing in real estate and real estate-related investments may mean that considerable expense may be incurred without acquiring the target investment. For example, the Funds may incur costs in undertaking due diligence and obtaining various reports in relation to potential investments that do not proceed. In addition, conditions precedent may not be satisfied, and transactions may be aborted after material expense has been incurred. All such expenses will be payable by the Funds and may reduce the returns that would otherwise be received by an investor.
- **Debt Financing and Credit Support.** The Funds expects to employ a substantial amount of leverage in connection with its investments. Use of leverage will subject the Funds to risks normally associated with debt financing, including the risk that the Funds cash flow will be insufficient to meet required payments of principal and interest, the risk that indebtedness on the investments will not be able to be refinanced, or the risk that the terms of such refinancing will not be as favorable as the terms of the existing indebtedness. These risks are increased in the current market environment of rising interest rates, which negatively impacts the cost of debt and may reduce financing availability for the Fund's assets.
- **No Assurance of Achieving Investment Strategy.** No representation is or can be made as to the future performance of the Funds, and there is no assurance that the Funds will realize its investment strategy, including its target returns.
- **Illiquidity.** Because of the limited withdrawal rights of Limited Partners, an investment in the Funds account is a relatively illiquid investment.
- **No Market For Interests. Limits on Transferability.** Each Investor acquiring an interest in the Funds will be required to represent that it is purchasing such Interests for its own account for investment purposes and not with a view to resale or distribution. Limited Partners must be prepared to bear the risks of owning interests in the Funds for an extended period of time.

- **Force Majeure Risks.** The Funds investments may be subject to catastrophic events and other force majeure events during their development, redevelopment, repositioning and stabilized phases. Those events could include fires, floods, earthquakes, adverse weather conditions, assertion of eminent domain, strikes, wars, riots, terrorist acts, acts of God and similar risks, which could result in the partial or total loss of an investment or significant down time resulting in lost revenues, among other potentially detrimental effects. Force majeure risks are generally uninsurable, and, in some cases, agreements can be terminated if the force majeure event is so catastrophic that it cannot be remedied within a reasonable time period. While the Funds will seek to utilize insurance and other risk management techniques (to the extent available on commercially reasonable terms) to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, it may not always be practicable or feasible to do so. Moreover, it may not be possible to insure against all such risks, and insurance proceeds may be inadequate.
- **Economic Environmental Risks.** The economic and regulatory environment is raising the risk of bank failures. Exposure to the risk of bank failure can take affect directly through depository accounts exceeding FDIC limits and via exposure through loans, subscription facilities and security deposits through letters of credit issued by such banks, that can no longer be drawn from. Breakthrough mitigates these risks by keeping track of various banking relationships and acting on contractual provisions where a bank failure triggers a change. As of the date of this filing we have limited direct exposure from the current bank failures and expect no impact to near-term cash management given the sufficient available capacity from the other subline lenders.
- **Epidemics and Other Health Risks.** Public health epidemics or outbreaks could adversely impact the operations and financial condition of the Funds and the demand for office/laboratory space. The long-term economic fallout of COVID-19 is difficult to predict, it has and is likely to continue to contribute to market volatility and is also likely to lead to an economic slowdown given the disruption to supply chains and halt in consumer spending across sectors and industries worldwide. Health crises caused by the outbreak of COVID-19 may also exacerbate other pre-existing political, social, economic, market and financial risks. The COVID-19 pandemic and its effects are expected to continue for an extended period of time, and could result in additional market volatility, further exchange trading suspensions and closures, declines in global financial markets, and higher default rates. All of the foregoing could have an adverse impact on local economies in the affected jurisdictions and also on the global economy, including with respect to the real estate and life science industries. In addition to these developments having potential adverse consequences for the performance of the Funds investments, and the Funds ability to source, manage and divest its investments and its ability to fulfill its investment objectives. In addition, the operations of Breakthrough Properties and the Funds in certain jurisdictions could be adversely impacted, including through quarantine measures and travel restrictions imposed in particular on key personnel of Breakthrough Properties. The Funds operations could also be disrupted if any member of Breakthrough Properties or any other key personnel of Breakthrough Properties contracts COVID-19 and/or any other infectious disease. Any of the foregoing events could materially and adversely affect the Funds ability

to source, manage and divest its investments and its ability to fulfill its investment objectives. Similar consequences may arise with respect to other comparable infectious diseases.

- **Valuation Risks.** As the Funds will typically invest in assets that are not readily marketable, the determination of fair market value will be based upon appraisals and estimates that may vary from actual amounts realized upon the dispositions of the assets being valued. Real estate and real estate-related companies and assets are inherently difficult to value. There is no assurance that the estimates resulting from the valuation process will reflect the actual sale price even where such sales occur shortly after the valuation date.
- **Cybersecurity.** Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. As part of its business, the Adviser processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Funds and personally identifiable information of the Limited Partners thereof. Similarly, service providers of Adviser or the Funds, especially an administrator, may process, store, and transmit such information. The Adviser's and portfolio companies' information and technology systems may be 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, typhoons, earthquakes, wars, terrorist attacks and other similar events. Measures designed to manage risks relating to these types of events cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for longer periods of time. If these systems are compromised, become inoperable for extended periods of time, or cease to function properly, the Funds and/or portfolio company 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 Adviser's, the Funds and/or a portfolio company's 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). A cybersecurity incident could have numerous material adverse effects, including on the operations, liquidity, and financial condition of the Funds. Cyber threats and/or incidents could cause financial costs from the theft of Funds assets (including proprietary information and intellectual property) as well as numerous unforeseen costs including, but not limited to litigation costs, preventative and protective costs, remediation costs and costs associated with reputational damage, any one of which, could be materially adverse to the Funds. Such a failure could harm Adviser's, the Funds and/or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims and otherwise affect its business and financial performance. The service providers of Adviser and the Funds are subject to the same electronic information security threats as Adviser. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Funds and personally identifiable information of its Limited Partners may be lost or improperly accessed, used, or disclosed. Similar types of operational and technology risks are also

present for properties, which could have material adverse consequences for such properties and may cause the Funds portfolio investments to lose value.

- **Hedging Risks.** In connection with the acquisition, holding, financing, refinancing or disposition of certain portfolio investments, the Funds may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices, and currency exchange rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Funds may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates or currency exchange rates may result in a poorer overall performance for the Funds than if it had not entered into such hedging transactions. The General Partner may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills that are separate from the skills used in selecting and monitoring investments.

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 a client's or investor's evaluation of the adviser or the integrity of the adviser's management. Neither the Adviser nor any of its officers, directors, employees, or other management persons, have been involved in any legal or disciplinary events in the past 10 years that would require disclosure in response to this Item.

Item 10: Other Financial Industry Activities and Affiliations

Affiliates of the Adviser

Affiliates of the Adviser act as the General Partner of the Funds, which is sponsored by the Adviser. The Adviser, Breakthrough, and/or its affiliates also act as leasing agent, property manager, construction manager and/or development manager for most of the real estate assets owned by the Funds. Such services are provided on the terms and conditions set forth in the Funds Governing Documents and entail the payment of additional compensation to those affiliates. The Adviser and its affiliates are subject to conflicts of interest when they provide such services to the Funds or the real estate projects in which the Funds invest.

The Adviser or its Affiliates from time to time manage direct investments in real estate assets for non-investment advisory clients. The management of such projects or investments by our affiliates are real estate advisory services, rather than investment advisory services since the advice relates to direct real estate investments that are not structured as securities. For example, a direct real estate investment may be where ownership is held in fee simple or where the investor in a joint venture has significant retained decision powers involving the investment.

Bellco Capital, Two River, and Vida Ventures

The Adviser and its affiliates work with Belco Capital and its partners, Two River and Vida Ventures, to leverage their founders' first-hand experience as academic physicians, scientists and life science entrepreneurs to build, invest, and support companies developing potentially transformative treatments for unmet medical needs. Two River is a venture capital incubator with a mandate to invest in and build life science businesses. Vida Ventures is a life science venture capital firm that invests in life-changing medicine and visionary entrepreneurs to develop breakthrough medial solutions. Vida Ventures Advisors, LLC is an exempt reporting adviser with the SEC. By leveraging the tremendous resources provided by these organizations, the Adviser, Breakthrough, and Tishman Speyer will assemble a portfolio of life science properties and curate dynamic ecosystems that foster collaboration among life science industry leaders.

Relationship with Tishman Speyer

In March 2019, a wholly owned subsidiary of Tishman Speyer entered into an agreement with Belco Capital to form a joint venture with the Adviser and its affiliated entities. Breakthrough was created to build a global platform that (1) develops, operates, leases, and manages real estate assets for life science and related uses; (2) partners with life science and technology companies and commercial research and academic institutions operating within the life science arena in creating campuses; (3) develops an operating platform that provides work space and social and entrepreneurial infrastructure to life sciences companies; and (4) invests in life science companies, including prospective partners and tenants. Tishman Speyer is a registered investment adviser with the SEC. Potential conflicts between the Adviser and Tishman Speyer are mitigated through such advisers' respective policies and procedures, which consider the fiduciary duties owed to their respective clients. This includes allocation of investment opportunities, marketing procedures and confidential information policies.

In certain circumstances, in order to create efficiencies and optimize performance for both the Adviser and Tishman Speyer, and their respective funds, the Adviser and Tishman Speyer will share acquisition, operational, legal, financial, back-office, or other services and resources. In connection therewith, the costs and expenses related to such services will be allocated among the relevant entities on a basis that the Adviser determines in good faith is fair and equitable and in accordance with the Funds Governing Documents.

Tishman Speyer Captive Insurance Company

A subsidiary of Tishman Speyer (the "captive insurer") may provide nuclear, biological, chemical, and radiological (NBCR) terrorism insurance protection to the US assets of the Funds. NBCR terrorism insurance is not available in the insurance marketplace. The US Federal Government Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) enables the captive insurer to provide NBCR terrorism insurance and receives reinsurance through the US federal government. Insurance premiums are computed by benchmarking with environmental insurance costs, and with the New York State Department of Financial Services oversight. Premiums are allocated to the Funds based on the estimated cost to reconstruct each covered US asset held by the Funds. Profits of the captive insurer have historically not been material. Any profits will be returned to the Funds or used to offset future premiums in a manner that the General Partner determines in good faith to be fair and equitable.

Tishman Speyer – Studio Relationship

Tishman Speyer owns and operates a co-working business called “Studio” and a tenant amenity service called “Zo”, which may operate in properties owned by the Funds. Such arrangements may also remain in place after the Funds sell a property. The foregoing business activities may give rise to conflicts of interest in connection with the sale of properties owned by the Funds, for example by incentivizing Tishman Speyer to negotiate sale terms that preserve such other business arrangements.

Potential Conflicts of Employees

Employees of the Adviser have family members and/or friends that are employed with, or are otherwise affiliated with, entities that provide services or engage in business transactions with the Funds. Examples of such relationships may include entities that are the investors, joint venture partners, operating partners, real estate or securities brokers, lenders, appraisers, and/or tenants in buildings owned by the Funds. Employees are required to report certain relationships to the Compliance Department for a review of any actual or potential conflicts of interest. The Adviser will determine if the specific facts and circumstances of these arrangements require further disclosures to investors, or if additional internal controls are needed to mitigate the specific conflict.

Renting Office Space from Affiliated Entities

Breakthrough and/or its affiliates rent office space from properties that are owned by the Funds. This practice creates a potential conflict of interest in that the space in the Funds owned properties could not be leased to others at the time and any discounted rates paid by Breakthrough or its affiliates would indirectly lead to lower income to the Funds owning the property. These relationships may give rise to conflicts of interest in connection with, among other things, the negotiation of lease terms. For example, Breakthrough or its affiliates may be incentivized to negotiate lease terms more favorable to a tenant to preserve such other business arrangements or secure investment opportunities in the tenant, an affiliate thereof or their respective businesses. To mitigate this potential conflict of interest, Breakthrough uses the “Disinterested Party Consent” discussed below.

Disinterested Party Consent

In certain circumstances where the Funds or a portfolio property seeks to transact with affiliates of Breakthrough, Bellco or Tishman Speyer, consent for such transaction may be obtained from the relevant disinterested party in the joint venture, as an owner of the General Partner (any such consent, a “Disinterested Party Consent”). For example, this conflict mitigation mechanism is used to approve the terms of a lease with an affiliated or related tenant or in the course of engaging an affiliated service provider. In providing a Disinterested Party Consent, the disinterested party will consider in good faith whether it believes that the terms of any such contract or transaction, taken as a whole, are (1) no less favorable to the Funds than could be obtained in arm’s-length negotiations with unaffiliated third Persons, (2) on substantially the same terms received by an unaffiliated third

Person or (3) on terms that are currently customary for such transactions. There may be additional conflicts of interest if Belco Capital or Tishman Speyer provides a Disinterested Party Consent, as Tishman Speyer and Belco Capital each engages in the types of transactions in which the Funds may also engage, and each has an incentive to mutually support transactions between the Funds and the other party with a view towards receiving the same support when they themselves seek to engage in a transaction with the Funds. The General Partner of the Funds may take any other actions as it determines may be necessary or appropriate to ameliorate these conflicts, including, without limitation, referring such conflicts to independent third parties or obtaining a third-party fairness opinion on which the disinterested party is required to base its approval.

Related Party Transactions

Investors should be aware that, as a consequence of the joint venture between Tishman Speyer and Belco Capital and the nature and extent of existing and future operations of each party, transactions with related entities and affiliates of each party are expected to occur on an ongoing basis. The Funds may invest in portfolio properties alongside, or that are or will be held by, Tishman Speyer, Belco Capital or their related entities or affiliates, including entities managed by Breakthrough and other accounts. Additionally, the Funds invest in one or more components of a mixed-use property where Tishman Speyer, Belco Capital or their related entities or affiliates, including entities managed by Breakthrough and other accounts, invests in a different component of such property. Similarly, related entities or affiliates may invest in portfolio properties in which the Funds are invested, and in such cases, such other person may not be required to obtain a fairness opinion with respect to the price of such investment, and the investment by such other person may dilute the investment of a Funds in such portfolio property.

In connection with any such transaction (whether such investment is alongside the affiliate or related entity or is in a separate component of a mixed-use property), the relevant parties will have conflicts of interest, for example, in determining how to allocate the investment and related costs, fees and expenses among the parties. The General Partner will seek to address such conflicts through one or more conflict mitigation mechanisms, which may include, in the General Partner's discretion, obtaining a Disinterested Party Consent, consulting with or obtaining consent of the Advisory Board, consulting with a conflict committee, obtaining a third-party fairness opinion with respect to the price of such transactions, or pursuing any such other mechanism as deemed appropriate by the General Partner under the relevant circumstances.

In addition, while an investment opportunity may initially be expected to be pursued by the Funds as a life-science investment opportunity, due to changing market trends or conditions, the relevant parties may later decide to repurpose such investment opportunity as an office, multi-family, or non-life science investment to instead be pursued by an affiliate (including an entity managed by Breakthrough or another account) (or vice versa). Similarly, a real estate investment opportunity that may be pursued as a life science execution may instead be pursued by an affiliate as a different asset class execution. The terms of any investment by the Funds and an affiliate thereof in a portfolio property (including with respect to price and timing) may differ due to legal, tax, regulatory, accounting, and other considerations. Additionally, the Funds and such affiliates (including, for the avoidance of doubt, Tishman Speyer and Belco Capital) will generally have different investment

objectives (including return profiles) and may have conflicting goals with respect to the price and timing of disposition opportunities.

Acquisitions from and Sales to Affiliates.

In the event where the Funds acquire or sell portfolio property from Tishman Speyer, Bellco Capital, Breakthrough Affiliates or other accounts, conflict of interest will arise. As set forth in the Partnership Agreement, other than with respect to Stabilized Investments that are transferred from the Growth Portfolio (or co-investors thereof) to the Funds Income Portfolio, the Funds shall not sell any interest in a property to, or purchase any interest in a property from, the General Partner or any Breakthrough Affiliate without the consent of the Advisory Board or a Majority in Interest. With respect to other purchases from, or sales to, Tishman Speyer, Bellco Capital or one or more other accounts, the General Partner, in addition to its duties under applicable law, will seek to address such conflicts through one or more conflict mitigation mechanisms, which may include, in the General Partner's discretion, obtaining a Disinterested Party Consent, consulting with or obtaining consent of the Advisory Board, consulting with a conflict committee, obtaining a third-party fairness opinion with respect to the price of such transactions, or pursuing any such other mechanism as deemed appropriate by the General Partner under the relevant circumstances.

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

The Adviser has adopted a Code of Ethics (the "Code") that is designed to comply with Rule 204A-1 of the Adviser's Act. The Code describes the standard of conduct that the Adviser requires of all of its employees and describes certain restrictions on activities such as personal trading, receipt of material, non-public information, and engaging in outside business activities. The Adviser's employees must obtain prior permission of the Chief Compliance Officer ("CCO") or designee for certain transactions that appear to pose a conflict of interest or otherwise appear improper.

The Code also requires all of the Adviser's employees to make initial and annual securities holdings reports to the Adviser that identify all brokerage accounts in which the employee has any direct or indirect beneficial ownership interest (including those of family members living in their household). These reports contain information about the securities held in such brokerage accounts. The Code also requires its employees to provide quarterly transaction reports to the Adviser or to instruct their brokers to provide duplicate statements for all securities transactions to the Adviser. Employees are required to pre-clear investments in certain securities, initial public offerings, and private placements (including, but not limited to, other private equity funds, hedge funds, venture capital funds, etc.). The Adviser, or its affiliates or employees, may, and currently do, make investments in private equity or venture capital opportunities side-by-side with investments made on behalf of clients. This may cause potential conflicts as the Adviser. The Adviser may deny permission for such transactions if they will have an adverse economic impact on one of the Adviser's clients. The Adviser maintains a list of restricted securities in which the Adviser may have material non-public information. All employees of the Adviser are prohibited from trading in issuers on the restricted list unless specifically approved by the CCO or designee. Compliance with the Code is a condition of employment the Adviser's employees, and a serious violation of the Code or its related policies may result in serious reprimand, up to and including dismissal.

The Adviser will provide a copy of the Code to any client or prospective client upon request by contacting our Chief Compliance Officer, Jennifer Warne, at 425-351-7857 or jwarne@btprop.com.

Gifts and Entertainment

The Adviser has policies in place governing the types and value of gifts and entertainment that its employees may accept from third parties that conduct business with the Adviser including, but not limited to, broker-dealers, vendors, and current or prospective clients or investors. The Adviser's employees are required to pre-clear and/or report their giving and/or receipt of gifts and entertainment to the Compliance Department.

Political Contributions

The Adviser's policies prohibit the Adviser from making, soliciting, or coordinating any political or charitable contributions for the purpose of obtaining or retaining potential or existing government clients or investors. Covered persons are permitted to make personal political or charitable contributions in accordance with applicable law and the Adviser's policies. Covered persons are required to obtain preapproval before they make, solicit, or coordinate any contributions to a political candidate, government official, political party, or political action committee.

Item 12: Brokerage Practices

Best Execution

When selecting a real estate broker for an equity transaction, the Adviser will consider numerous factors and criteria with the overall objective of selecting a real estate broker who will efficiently and effectively market the real estate asset for sale and maximize returns for the Funds. Examples of the criteria used include the following: the fee structure of the engagement; whether the broker was helpful or instrumental during the acquisition or asset management phases of other investments; the broker represented the seller during the purchase of the asset and is already familiar with the property; access to decision makers for a likely capital source; ability to run the bidding process to maximize the return on investment to the Funds; knowledge and experience with the local market, experience with the type of asset; complexity and size of the transaction; past performance in representing the Adviser or others on similar deals; presence of a strong local investment sales team assigned to the engagement; venture partner input or predisposition to use a particular broker; the broker's efficiency and professionalism in the preparation and distribution of marketing materials relevant to the engagement; and the overall allocation of business to a variety of qualified brokers that can meet the Adviser's needs.

The Adviser will also participate in interest rate hedging transactions such as interest rate swap, caps, and other interest rate exchange contracts. The Adviser generally uses a third-party vendor to provide quotes from multiple counterparties. The Adviser will enter into transactions with the broker-dealer, bank, or other counterparty with the intent of seeking "best execution" for the Funds. Brokers, banks, or other counterparties are generally selected on the basis of price and transaction expertise.

The Adviser does not invest the Funds in publicly traded securities. To the extent the Adviser selects a broker or dealer with respect to securities transactions in the future, each executing broker or dealer will be selected on the basis of best execution of transactions. The Adviser will establish applicable policies, procedures, and criteria for review of best execution of publicly traded securities at such applicable time, should the firm engage in securities trading in the future.

Soft Dollars

The Adviser receives real estate market data research from real estate brokers. The Adviser also uses the services of those real estate brokers to buy or sell real estate investments. The Adviser does not have any formal soft dollar arrangements to compensate the brokers for the research that is provided. The Adviser may receive real estate-related research and market data from third party service providers.

Directed Brokerage

The Adviser does not participate in directed brokerage arrangements.

Allocation of Investment Opportunities

Breakthrough has a Board of Directors that is made up of members of Bellco Capital and members of Tishman Speyer. The Board of Directors collectively acts as the Investment Committee for Breakthrough's Clients. The Board of Directors conducts periodic phone calls to review all prospective investments, existing holdings, potential dispositions, material events regarding existing investments, and to assess real estate market activities.

Breakthrough has a fiduciary duty to act in the best interests of all Clients. Breakthrough must allocate investment opportunities among Clients in a fair and equitable manner. At this time, Breakthrough only provides investment services to one Client. Allocation decisions must be consistent with all disclosures, representations, and contractual obligations Breakthrough has entered into with any Clients.

The General Partner or any affiliate of Breakthrough may have established, and may in the future establish, one or more investment vehicles, accounts or arrangements from time to time, including those with investment objectives, strategies or return profiles that are similar to or overlap with those of the Funds. Investment opportunities that are sourced by the General Partner or any affiliate of Breakthrough and that are suitable and appropriate for the Funds will be allocated in accordance with the Funds Governing Documents and the governing documents of any applicable entity managed by Breakthrough. As a consequence of any such allocation determination, and in each case subject to the Partnership Agreement, the Funds may co-invest with one or more entity managed by Breakthrough in one or more investments, and there can be no assurance that all investment opportunities that fall within the investment policy of the Funds and that of one or more entity managed by Breakthrough will be allocated, whether in whole or in part, to the Funds.

The General Partner may in its sole discretion allocate co-investment opportunities to one or more Limited Partners and/or third parties. Co-investment opportunities may be made available through

limited partnerships or other entities formed to make such investments (a “Co-Investment Funds”). The General Partner will allocate available investment opportunities among the Funds, any Co-Investment Funds and any third parties as it may in its sole discretion determine. In offering and allocating co-investment opportunities, the General Partner will take into account various facts and circumstances deemed relevant by the General Partner, which may include one or more of the following: (i) the investor’s stated desire to participate in co-investments; (ii) the ability of an investor to commit to invest in a short period of time; (iii) the ability of an investor to commit to a significant portion of such opportunity; (iv) the economic terms on which an investor may agree to participate; (v) whether the investor provides strategic value in respect of such investment, such as by having relevant experience or existing relationships with relevant parties; (vi) the size of an investor’s commitment to any investment vehicle managed by Breakthrough and/or other accounts; (vii) whether and to what extent an investor has accepted prior co-investment opportunities offered to it (whether offered by Breakthrough Properties or any affiliate thereof); (viii) the transparency and predictability of an investor’s investment process; (ix) the ability of an investor to provide debt financing in connection with such investment; or (x) any other factors as the General Partner deems relevant under the circumstances.

Trade Aggregation

The Adviser does not invest in publicly traded securities on behalf of the Funds.

Principal and Cross Transactions

In the rare event that the Adviser could effect a principal or a cross transaction, the Adviser will seek to ensure that such transactions and any related disclosures are made consistent with applicable laws, advisory agreements, and the Adviser’s policies and procedures. In particular, the Adviser will seek to ensure that the transaction is: (i) pursued in the best interests of all clients involved; (ii) in compliance with the governing documents for the Funds (including any investment guidelines or restrictions described in the Funds governing documents); (iii) entered into only after obtaining any required Advisory Board or Limited Partner approvals of the transaction’s terms and conditions; and (iv) effected at a price that is comparable to the price that could be obtained through an arm’s length transaction with a third party and that is otherwise fair to both parties.

Transaction Aggregation

The Adviser does not invest in publicly traded securities on behalf of Clients. As such, the Adviser does not typically aggregate the purchase or sale of real estate investments for Clients since they are distinct investments for each Client.

Item 13: Review of Accounts

The Adviser’s investment professionals are responsible for sourcing, acquiring, managing, and disposing of the Funds’s real estate investments. The Adviser’s Board of Directors meets on a periodic basis to review and approve potential investment opportunities, as well as disposition strategies for existing investments. The Adviser and Tishman Speyer also have teams of professionals that are responsible for performance monitoring and reporting, risk management, and

other business groups that perform services such as legal, compliance, accounting, financing, hedging, and cash distribution.

Breakthrough, Tishman Speyer, and/or their affiliated entities provide property management services and are responsible for overseeing the day-to-day operations and management of investments with respect to which they have been engaged and are in regular contact with the Adviser's investment professionals and members of the Investment Committee regarding the business plans for the investments.

Item 14: Client Referrals and Other Compensation

The General Partner from time to time may engage placement agents to introduce prospective Investors to the Funds. Placement agents are paid fees by Funds to assist in the placement of interests in those Funds. Such fees are in certain cases borne by the Adviser as an offset against management fees.

Item 15: Custody

All cash and securities of our Clients are held in custody by unaffiliated qualified custodians such as broker/dealers or banks. However, the Adviser is deemed to have custody of certain assets of the Funds that we manage because we have the authority to obtain client assets, for example, by deducting investment advisory fees from a client's account or otherwise withdrawing funds from a Fund account through the powers of the role of the affiliated General Partner. The Adviser satisfies our obligations to the Funds and Investors under Rule 206(4)-2 of the Advisers Act by causing an annual audit to be performed in accordance with U.S. generally accepted accounting principles by an independent public accountant that is registered with the Public Company Accounting Oversight Board (PCAOB). The Funds distribute audited financial statements to its investors within 120 days of the end of its fiscal year.

Item 16: Investment Discretion

In accordance with the terms and conditions of the Funds Governing Documents, and subject to the direction and control of the General Partner of the Funds, the Adviser has discretionary authority to determine, without obtaining specific consent from the Funds or their Limited Partners, the securities and the amounts to be bought or sold on behalf of the Funds, and to perform the day-to-day investment operations of the Funds.

Item 17: Voting Client Securities

As the Adviser invests in physical real estate assets, it does not receive proxies in relation to the investments it makes on behalf of the Funds. Nevertheless, the Adviser has adopted a written proxy voting policy, as required under the Advisers Act. If the Adviser were to receive a proxy that it is required to vote on behalf of the Funds, the Adviser will vote considering the overall best interests of the Funds. The Adviser may decline to vote proxies if it determines that the cost of voting the proxy exceeds the expected benefit to the Funds.

Investors may request a copy of the Adviser's proxy voting record on their behalf at any time by contacting the Chief Compliance Officer at the address or telephone number listed on the first page of this Brochure.

Item 18: Financial Information

Since the Adviser (i) does not solicit fees more than six months in advance, (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to the Funds, and (iii) has not been subject to any bankruptcy proceeding during the past 10 years, this item is inapplicable.