

**Form ADV Part 2A: FIRM BROCHURE**



**BELL PARTNERS INVESTMENT MANAGER, LLC**

300 N Greene Street  
Suite 1000  
Greensboro NC 27401  
Tel: (336) 232-1900  
[BellCompliance@bellpartnersinc.com](mailto:BellCompliance@bellpartnersinc.com)  
[www.bellpartnersinc.com](http://www.bellpartnersinc.com)

**January 26, 2024**

This brochure provides information about the qualifications and business practices of Bell Partners Investment Manager, LLC (“Bell”). If you have any questions about the contents of this brochure, please contact us at [BellCompliance@bellpartnersinc.com](mailto:BellCompliance@bellpartnersinc.com) or (336) 232-1900. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Bell is a registered investment adviser. Registration of an investment adviser with the SEC does not imply a certain level of skill or training.

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

## **Item 2 – Material Changes**

As this is the initial filing of Bell’s brochure (the “Brochure”), there are no material changes to report.

### Item 3 – Table of Contents

Item 2 – Material Changes.....	ii
Item 3 – Table of Contents .....	iii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation.....	3
Item 6 – Performance-Based Fees and Side-By-Side Management.....	8
Item 7 – Types of Clients.....	9
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	10
Item 9 – Disciplinary Information .....	30
Item 10 – Other Financial Industry Activities and Affiliations.....	30
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading...31	
Item 12 – Brokerage Practices.....	33
Item 13 – Review of Accounts .....	33
Item 14 – Client Referrals and Other Compensation.....	34
Item 15 – Custody .....	34
Item 16 – Investment Discretion.....	35
Item 17 – Voting Client Securities.....	35
Item 18 – Financial Information .....	36

## Item 4 – Advisory Business

### Advisory Firm

Bell Partners Investment Manager, LLC (“Bell” or the “Firm”), a Delaware limited liability company, is a real estate manager affiliated with Bell Partners Inc. (“BPI”). Established in 1976, BPI is a privately held, vertically integrated real estate investment management firm with approximately 85,000 apartment units under management across the U.S. BPI has an extensive operating platform with approximately 2,000 employees and nine offices (including its headquarters in Greensboro, NC) focused on portfolio and asset management, accounting and financial services, data analytics and market research, human resources and training, legal and risk management, construction management, property management, procurement and sustainability, marketing and branding, corporate services and customer innovation, investments and information technology. BPI has deep experience acquiring, repositioning, operating and selling apartment communities. Bell was formed in 2023 to serve as the investment adviser affiliate of BPI.

Bell serves as the investment adviser for and provides discretionary and non-discretionary investment advisory services to pooled investment vehicles and related co-investments, private funds and separate account mandates (collectively, the “Funds”). Certain Funds are organized as a parallel fund structure that includes separate funds for institutional investors, high net worth investors and BPI senior management, as well as various parallel co-invest and joint venture structures. Some Funds rely on exemptions from registration under Section 3(c)(1) and/or Section 3(c)(7) of the Investment Company Act of 1940, as amended (the “Investment Company Act”), while other Funds rely on an exemption from registration under Section 3(c)(5)(c) or 3(a)(1) of the Investment Company Act.

Each Fund is affiliated with a general partner or manager (together for purposes of this Brochure referred to as a “General Partner”) with authority to make investment decisions on behalf of the Funds. The General Partners are deemed registered under the Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “Advisers Act”), and the General Partners rely on Bell’s registration in accordance with SEC guidance applicable to general partners of private funds. References to Bell throughout this Brochure shall also include reference to the General Partners, as applicable. For some Funds, the General Partner retains complete investment discretion and investors in the Funds do not participate in the control or management of the Funds. For such Funds, while the General Partners maintain ultimate authority over the respective Funds, Bell has been delegated the role of investment adviser. For other Funds, the investor retains certain control rights over the investment and Bell does not exercise complete investment discretion but has been delegated the role of investment adviser. For more information about the Funds and General Partners, please see Bell’s Form ADV Part 1, Schedule D, Section 7.A., and Section 7.B.(1).

## Advisory Services

Bell provides real estate investment advisory services to the Funds, which invest through privately negotiated transactions in multifamily properties located in target growth markets in the United States. Bell's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing the investment in the properties and achieving dispositions of investments. Bell's affiliates also act as the managing member or general partner for other joint venture partnerships and separate accounts with respect to which Bell or BPI provides investment management services with respect to real estate investments, but which are not securities and therefore are not included in Bell's Form ADV.

Bell's investment advice and authority for each Fund is tailored to the investment objectives of that Fund; Bell does not tailor its advisory services to the individual needs of investors in the Funds. Each Fund's investment objectives are described in and governed by, as applicable, the private placement memorandum, limited partnership agreement, subscription agreements, operating agreements, limited liability company agreements, investment management agreements, side letter agreements and other governing documents of the relevant Fund (collectively, "Governing Documents") and investors determine the suitability of an investment in a Fund based on, among other things, the Governing Documents. The Firm does not seek nor require investor approval regarding each investment decision; however, for the Funds for which Bell does not exercise complete investment discretion, investors exercise certain rights as negotiated in each such Fund's Governing Documents.

For the Funds for which Bell exercises investment discretion, Fund investors generally cannot impose restrictions on investing in certain securities or types of securities, other than through side letter agreements. Investors in the Funds participate in the overall investment program for the applicable Fund and generally cannot be excused from a particular investment, except in certain circumstances pursuant to the terms of the applicable Governing Documents. In accordance with industry common practice, the Funds and/or the General Partner have entered into side letters or similar agreements with certain investors including those who make substantial commitments of capital or were early-stage investors in a Fund, or for other reasons in the sole discretion of the General Partner, in each case that have the effect of establishing rights under, or altering or supplementing, a Fund's Governing Documents. Examples of rights established by side letters entered into include provisions whereby investors have expressed an interest in participating in co-investment opportunities, advisory committee representation, certain fee arrangements, notification provisions, affiliate transfer provisions, reporting requirements and "most favored nations" provisions, among others. These rights, benefits or privileges are not always made available to all investors, consistent with the Governing Documents and general market practice. Commencing in September 2024, Bell will make required disclosure of certain side letters to all investors (and in certain cases, to prospective investors) in accordance with the new Private Fund Rules (as defined below). Side letters are negotiated at the time of the relevant investor's capital commitment, and once invested in a Fund, investors generally cannot impose additional investment guidelines or restrictions on a Fund. There can be no assurance that the side letter rights granted to one or more investors will not in certain cases disadvantage other

investors. For the Funds for which Bell does not exercise complete investment discretion, Fund investors have retained certain decision rights regarding purchase, sale, and other decisions, as negotiated in each Fund's Governing Documents.

Bell does not participate in wrap fee programs.

Bell is a wholly owned subsidiary of BPI. For more information about Bell's owners and executive officers, see Bell's Form ADV Part 1, Schedule A and Schedule B.

## **Regulatory Assets Under Management**

As of October 31, 2023, Bell managed approximately \$5.720 billion in Fund regulatory assets, \$3.643 billion of which are managed on a discretionary basis and \$2.078 billion of which are managed on a non-discretionary basis. As of October 31, 2023, Bell managed \$7.2 billion in gross real estate assets under management; this number includes (A) gross assets held by funds (which reflects the total value of such properties, and does not adjust for any debt and third-party equity in interests held through subpartnerships) as well as (B) the full value of assets held together with third-party joint venturers outside of such funds, irrespective of Bell ownership percentage in such assets. Accordingly, gross real estate assets under management reflects the total value of the various portfolios and properties managed by Bell and its affiliates.

## **Item 5 – Fees and Compensation**

Bell and its affiliates receive fees and compensation in exchange for advisory services provided to the Funds. Differences exist from Fund to Fund, and certain Funds do not charge certain fees, compensation or expenses that other Funds charge or charge them in different amounts. The following is a general description of fees, compensation and expenses of the Funds. Investors should refer to the Governing Documents of the applicable Fund for a complete understanding of how Bell is compensated for its advisory services; the information contained herein is a summary only and is qualified in its entirety by such documents.

### **Asset Management Fees**

Bell charges each Fund an asset management fee (the "Asset Management Fee"), generally up to 1.5% per annum of the Fund investors' commitments. Specifically, with respect to Funds with institutional investors, during the first eighteen-month period of a Fund's term, Asset Management Fees are charged at 1.5% of the aggregate capital commitments, whether or not funded to date. After the eighteen-month period, with respect to Funds with institutional investors, Asset Management Fees are charged at a rate of not more than 1.5% of the aggregate capital contributions in investments that have not been liquidated, taking into account any write-offs with respect to investments (*i.e.*, a permanent impairment as reflected in the financial statements of the Fund). For most Funds with institutional investors, the Asset Management Fee is reduced for those investors who make certain commitments to the Fund, as further described in each Fund's Governing Documents. With respect

to Funds with high-net-worth investors, the Asset Management Fee is generally charged on funded capital (including subscription financing drawn in lieu of capital calls) during all periods, however, the amount and the terms of the Asset Management Fee varies among Funds with high-net-worth investors.

The amount of Asset Management Fees will not correspond with fluctuations in a Fund's net asset value (unless otherwise defined in the Governing Documents), including following the stepdown date, and will not be reduced in connection with any write-downs, except in the case of investments that have been permanently written down. Permanent write-down determinations are made in the discretion of the valuation committee in accordance with the relevant Governing Documents and the Firm's valuation policy.

All Asset Management Fees were negotiated with investors during the fundraising period of the applicable Fund and are not subject to negotiation thereafter. Generally, investors participating in a subsequent closing after the initial closing of a Fund are responsible for paying the Asset Management Fee as of the date of the initial closing of such Fund, plus interest, as applicable. In addition, Asset Management Fees are payable during term extensions unless otherwise agreed to with investors.

The General Partners are permitted, in their sole discretion, to reduce or waive all or a portion of the Asset Management Fee. Such reductions or waivers may arise from the size of an investor's commitment to a Fund, provisions of side letter agreements or other negotiated terms. Asset Management Fees are generally waived for owners, officers and employees of Bell and its affiliates, and their respective families, investing in a senior management Fund (although in each case, these investors generally pay their pro rata share of certain Fund expenses).

Asset Management Fees are assessed quarterly in arrears. Asset Management Fees may be paid directly by investors or deducted from distributions to be made to investors. The Funds are closed-ended investment vehicles intended for a long-term investment. Accordingly, Asset Management Fees are expected to be paid during the term of each Fund, except as otherwise described in the relevant Governing Documents, and investors generally are not permitted to withdraw or redeem interests in the Funds.

### **Affiliated Property Management and Other Fees**

Bell's affiliates perform property management services for the Funds for all properties acquired as well as for certain third parties. For those assets for which an affiliate acts as property manager, such affiliate will receive from the property owner a property management fee equal to a percentage of gross receipts from the property under management. For construction management services, an affiliate will receive from the property owner a construction management fee equal to a certain percentage of (i) the total up-front capital budget and (ii) the cost of any work performed after the up-front capital budget costs if such amounts are greater than an amount specified in the Governing Documents, and will charge the property owner for the costs allocated by the affiliate for project supervision (*i.e.*, construction superintendents, project managers, project directors and travel expenses

of asset management and construction management personnel relating to completing the initial repositioning of an asset) and construction-related accounting for such project. Fees will also be charged to the property owner for additional services performed by an affiliate such as risk management, property tax administration and appeals, negotiating cable agreements or utility meter replacement. In addition, other costs directly attributable to property operating expenses are charged or passed through to the property such as payroll administration, software, training, marketing, etc.

Fees that are charged at a flat amount (*e.g.*, per apartment unit) are permitted to increase up to an amount specified in each Fund's Governing Documents; any increase above such amount per year requires approval of the relevant advisory committee. The fees to be paid by a property owner will decrease amounts available for distribution to investors of the Funds. To the extent the expenses are not paid by the property owner as set forth above, the Fund will pay its pro rata portion of such expenses.

On occasion, certain Funds pay additional fees, including one or more of acquisition fees, disposition fees, and refinancing fees. For services in connection with acquisitions, on occasion a Fund will pay Bell or its affiliates a fee in an amount equal to the Fund's pro rata share of a percentage of the total acquisition capitalization of the property (including budgeted renovations and debt). For dispositions, a Fund will on occasion pay Bell or its affiliates a fee equal to the Fund's pro rata share of a percentage of the gross sales price of a property. For refinancings, a Fund will on occasion pay Bell or its affiliates a fee equal to the Fund's pro rata share of a percentage of the principal amount of the new loan (or increased principal amount in the case of an additional increase in existing loan principal). The additional fees applicable to, and the amount of such fees, varies among Funds.

Fees have been reduced by Bell in its discretion for investors making certain commitments to a Fund. In addition, owners, officers and employees of Bell and its affiliates, and their respective family members, participating in senior management funds do not pay any such fees. Any such fees paid by a property to such affiliated service provider are in addition to the Asset Management Fee and Carried Interest (as defined below) received by Bell or its affiliates, and such fees will not be shared with a Fund, will be in addition to, and will not offset the Asset Management Fee.

### **Carried Interest**

Each Fund's General Partner is entitled to be allocated a performance fee (a "Carried Interest") with respect to the Fund, which is generally equal to 20% of all realized profits net of all expenses and in excess of an 8% preferred return. Each Fund's Carried Interest arrangement differs and is further described in full detail in the relevant Fund's Governing Documents and more briefly in Item 6, below.

### **Fund Expenses**

Each Fund is governed by its own Governing Documents, which details a description of expenses for such Fund. While differences exist among Funds, the following is a description of expenses generally charged to each Fund related to such Fund's (and its subsidiaries' and intermediate entities') activities:



all expenses relating to a Fund's organization and offering of investor interests (including legal, accounting and other fees and expenses such as travel relating to capital raising efforts; provided, that any expenses associated with air travel shall be limited to the cost of commercial flights) incurred in connection with the formation of the Fund of up to an amount as specified in each Fund's Governing Documents and all ongoing expenses relating to a Fund's ownership of its assets and its operations, including legal, consulting, and accounting fees and expenses. For the avoidance of doubt, such ongoing expenses shall include: (i) expenses incurred pursuant to the reporting obligations of a Fund pursuant to its Governing Documents; (ii) expenses incurred in connection with the evaluation, acquisition or disposition of investments, including sales commissions, appraisal fees, taxes, brokerage fees, underwriting commissions and discounts, and legal, accounting, investment banking, consulting, information services and professional fees; (iii) expenses incurred in connection with the carrying or management of investments, including custodial, trustee, record keeping and other administration fees; (iv) expenses incurred in connection with the preparation of a Fund's financial statements, tax returns and K-1s; (v) attorneys and accountants fees and disbursements incurred in connection with operating a Fund or its subsidiaries; (vi) taxes and other governmental charges levied against any real estate asset or the Funds; (vii) insurance (including in respect of directors' and officers' liability insurance and coverage for any other persons acting on behalf of a Fund), regulatory or litigation expenses (and damages), including regulatory expenses of the General Partners, of their respective affiliates and related entities involved in the activities of the Funds; (viii) pro rata expenses relating to incurrence of debt of the Funds or any of its other direct or indirect owners, including lines of credit (including the subscription financing facility), that are for the benefit of the Funds; (ix) expenses incurred in connection with the winding up or liquidation of the Funds; (x) expenses relating to defaults by investors in the payment of any capital contributions; (xi) expenses for transactions not consummated; (xii) expenses incurred in connection with any restructuring or amendments to the constituent documents of the Funds and related entities; (xiii) expenses incurred in connection with the formation of special purpose investment vehicles to the extent permitted under the Governing Documents; (xiv) a Fund's pro rata portion of organizational and ongoing expenses of any master funds it invests in (in a master-feeder fund structure); (xv) expenses incurred in connection with any subsidiary REIT's compliance as a REIT; and (xvi) expenses incurred in connection with distributions to the partners and in connection with any meetings with investors and meetings of the advisory committees. To the extent practicable, any expenses relating to a consummated investment shall be charged to such investment, including without limitation any entity formed to hold such investment, in the applicable General Partner's sole and reasonable discretion. The Funds shall pay their pro rata portion of any expenses relating to a consummated investment that are not charged to such investment and include such expenses in the cost of the investment. The applicable General Partner shall be reimbursed on a monthly basis, or such other basis as it determines in its good faith judgment, for all reasonable and necessary expenses it incurs relating to the operation of, or for the benefit of, the Funds, that are appropriate expenses of the Fund, as described above. The applicable General Partner shall determine in its reasonable judgment the amount of expenses incurred by it related to the operation of, or for the benefit of, the Funds. For information on Bell's brokerage practices and fees, please see Item 12, below.

## **Co-Investment Broken Deal Expenses**

In the event a proposed co-investment transaction is not consummated, the full amount of any fees and expenses generated in the course of evaluating such investment, including any broken deal expenses, would generally be borne by the Fund(s) and other investment vehicles selected as proposed investors for such proposed transaction and not by any prospective co-investors that were to have participated in such transaction. As a result, the Fund(s) and investment vehicles selected as proposed investors for such proposed transaction will bear more than what would otherwise have been their pro rata share of such broken deal expenses. Conversely, co-investors who commit to a transaction after a Fund signs a definitive purchase agreement will lower the risk of broken deal or similar expenses incurred by such Fund (and indirectly, by such Fund's investors) in connection with such transaction based on the timing of when a co-investor becomes contractually obligated to invest.

## **Joint Venture Partner Expenses**

Bell on occasion invests in assets where the investment opportunity is shared with a joint venture partner that provides equity and/or services to the project. Joint venture partners (typically developers) can receive compensation in the form of developer fees and Carried Interest allocations when investments outperform certain hurdles. Developer fees are paid during the development of the investment. Carried Interest is typically paid to the joint venture partner by the underlying asset as a reallocation of equity to buy out the joint venture partner.

## **Offering and Organizational Expenses**

Each investor will bear its pro rata share of a Fund's expenses incurred in connection with the organization of the Fund ("Organizational Expenses"). The amount and type of Organizational Expenses varies by Fund and is further detailed in the Governing Documents of such Fund. Any amounts in excess of such permitted limit are borne by the applicable General Partner.

## **Allocation of Expenses**

In good faith and in its fair and reasonable discretion, Bell determines on a case-by-case basis whether an expense should be borne by the Firm, a General Partner, a Fund or multiple Funds. To the extent that the Governing Documents do not expressly provide for a method of allocation or to the extent that an invoice does not relate to a specific Fund, Bell and the applicable General Partner will typically allocate common expenses among multiple Funds on a pro rata basis and in accordance with its policies and procedures on expense allocation, unless another method is more equitable. Some expenses are incurred on an aggregate basis for the benefit of multiple Funds and/or Bell. For example, insurance is purchased on a Firm-wide basis to cover both Bell and the Funds. The aggregate cost of such expenses is allocated in a fair and reasonable manner and in Bell's sole discretion. Where one or more Funds to which an expense would otherwise be allocable are not permitted to receive an allocation based on the applicable Governing Documents, the portion of the expense attributable to such Fund(s) will be borne by Bell or BPI.

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

A Carried Interest allocation represents an adviser's compensation based on a percentage of net profits of the Funds it manages. The General Partners are entitled to receive a Carried Interest allocation on certain realized profits in the Funds generally equal to 20% subject to an 8% annually cumulative return. The Carried Interest allocation with respect to Funds with high-net-worth investors varies between such Funds and may exceed or be less than 20% dependent upon the amount of an investor's capital commitment and/or subject to a different annual cumulative return rate. A Carried Interest is allocated to the respective General Partner and is subject to a potential after-tax giveback if such General Partner has received excess cumulative distributions. Each Fund's Carried Interest calculation, as well as the clawback provisions of each Fund, is further described in the relevant Fund's Governing Documents received by each investor prior to investment in such Fund.

The General Partner of each Fund, in its sole discretion, is permitted to waive or reduce the amount of Carried Interest for certain Funds or investors in a Fund. Specifically, if owners, officers or employees of Bell and its affiliates, and their respective family members, are investors in a senior management Fund, they will not pay a Carried Interest.

The fact that a General Partner's Carried Interest allocations are based on the performance of each Fund can create an incentive for Bell to make investments that are more speculative than would be the case in the absence of such distributions or to allocate an investment to a Fund that earns a higher Carried Interest. The Firm believes this incentive is sufficiently mitigated, however, due to the fact that: (i) the applicable Governing Documents create limitations on the ability of the General Partners and BPI to establish new investment funds; (ii) any losses a Fund sustains will reduce the General Partner's Carried Interest distribution; (iii) a Carried Interest is generally calculated only after investors have received as distributions 100% of their capital contributions to the Fund plus a preferred return; and (v) Bell's ability to attract future investors is tied to the performance of its investments. In addition, Bell generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals.

Bell manages multiple Funds and other investment vehicles with similar investment strategies on a side-by-side basis. Management of multiple vehicles on a side-by-side basis has the potential to create conflicts of interest with regard to Bell's allocation of investment opportunities, expenses, time and attention of personnel and consideration for certain transactions. Although Bell generally makes new investments for a Fund with the same investment objectives only after a predecessor Fund is substantially invested or committed as more fully described in the applicable Fund's Governing Documents, management of side-by-side Funds can create an incentive for Bell or its personnel to favor a Fund in which Bell or an affiliate has a greater financial interest. To the extent that Bell manages Funds with varying Carried Interest terms (including amount, timing waterfall conditions or other terms) and/or Bell personnel are assigned different percentages of Carried Interest in different

Funds, Bell and such personnel are subject to potential conflicts of interest to the extent they are involved in identifying investment opportunities as appropriate for a Fund from which they are entitled to receive a higher Carried Interest percentage.

To help minimize such conflicts of interest, Bell allocates investment opportunities that satisfy the investment parameters of more than one Fund in accordance with its policies and procedures regarding investment allocation and the applicable Governing Documents, taking into consideration certain factors, as determined in the Firm's sole discretion, which include, but are not limited to: amount of available capital commitments of the applicable Fund(s); anticipated future capital requirements of an investment opportunity; life-cycle of the applicable Fund(s); expected time to obtain liquidity; legal, tax and regulatory considerations; and any other factors deemed relevant by Bell. Investment allocation decisions are determined by the Investment Committee of BPI. Bell's procedures are designed to ensure that all investment decisions are made in accordance with its fiduciary duties to the Funds and without consideration of Bell's (or its affiliates' or employees') pecuniary interest. Bell will not allocate investment opportunities based in whole or in part on the relative fee structure or amount of fees paid by any Fund or the profitability of any Fund.

#### **Item 7 – Types of Clients**

Bell provides investment advice to its Funds. The Funds limit their respective investors to persons who qualify as one or more of the following: (i) "accredited investors" as defined in the Securities Act of 1933, (ii) "qualified purchasers," as defined in the Investment Company Act, or (iii) following registration under the Advisers Act, "qualified clients," as defined in the Advisers Act. Investors in the Funds must also meet certain other suitability qualifications prior to making an investment in a Fund. The Funds are not registered or required to be registered under the Investment Company Act, are not made available to the general public, their securities are not registered or required to be registered under the Securities Act of 1933 and Fund interests are privately placed to qualified investors. Qualified investors include individuals or entities to which Fund interests are permitted to be sold, which generally includes (i) in the United States, people or organizations who meet certain net worth, income and/or financial sophistication requirements as described above or (ii) in other countries, as permitted by the relevant securities laws in such jurisdiction and in compliance with any foreign offering provisions applicable to Bell, the applicable General Partner and/or the Funds. The minimum required capital commitment varies by Fund, although the applicable Fund's General Partner has in some cases, in its sole discretion, accepted lesser amounts.

The investors participating in the Funds include U.S and foreign high net worth individuals, other investment entities, insurance companies, university endowments, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations, fund of funds, corporations, limited partnerships, limited liability companies or other business entities, joint venture partners, service providers retained by Bell, and typically include, directly or indirectly, principals or other employees of Bell and its affiliates and members of their families.

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

### Methods of Analysis and Investment Strategy

BPI has extensive experience acquiring, repositioning, operating, and selling apartment communities. Bell, as a wholly owned subsidiary of BPI, will rely on BPI's platform and personnel to provide investment advisory services to the Funds. As a result, the following discussion of Bell's investment analysis and strategy is based on BPI's historical investment analysis and strategy and its platform.

Bell combines its sophisticated operating platform, hands-on asset management, extensive experience and data driven approach to evaluate opportunities and ensure focused execution. Bell believes its investment platform enables it to source opportunities creatively, make well-informed decisions, accurately underwrite the investment, execute the repositioning plan to maximize cash flow and exit at the optimal time to harvest value. Bell has a comprehensive, collaborative, disciplined and focused investment process, which incorporates a rigorous quantitative and qualitative analysis and leverages the senior team to carefully assess and approve each opportunity. Each asset is carefully evaluated, and customized business plans are developed and executed by regional teams in order to maximize performance.

*Identification:* Bell has developed an extensive relationship network through its strong reputation in the industry, long history of solid performance and regionally focused teams resulting in opportunities sourced through multiple channels. Bell believes its size, track record, reputation and deep relationship network enable it to creatively secure opportunities and benefit from a competitive advantage by providing sellers with the certainty of closing. By utilizing market information generated from managing over 85,000 units, and input from local teams, Bell seeks to avoid “over-heated” markets and is able to carefully select and underwrite investments.

*Underwriting:* The team carefully underwrites opportunities using input from regional Asset Management, Operations and Construction Management teams. Bell also employs tools to carefully budget and project cash flow, including rent growth projections and exit cap rate recommendations by market, and detailed budget guidelines. Additionally, pricing decisions are based on cost of capital, adjustments for specific risks/opportunities, internal and third-party market research data and an evaluation of recent sales and replacement cost estimates. Bell also has an internal business intelligence research dashboard, which monitors and provides real-time data generated from its approximately 85,000 managed units. Bell believes this sophisticated data-driven approach facilitates prudent underwriting and provides ongoing management guidance post-acquisition.

*Due Diligence:* Each potential acquisition is thoroughly reviewed by the Investment Committee of BPI when it is initially secured to ensure resources are expended wisely. The opportunity may then be formally approved at the end of the due diligence period, prior to funding an at-risk deposit and beginning the closing process. Upon initial approval, a disciplined, comprehensive and thoughtful evaluation of each asset is completed. During that time, the Operations, Asset Management and Construction Management teams will complete detailed reviews and create budgets using information

from file audits, property inspections, vendor contracts, manager interviews and input from other Bell teams with expertise in asset management, taxes, energy management, risk management, market research/business intelligence and other specialized functions. In addition, experienced third party consultants will assess environmental and structural conditions as well as legal, title and survey items. During due diligence, the Chief Financial Officer and investment teams assess financing options to ensure optimal debt terms can be secured. At the end of due diligence, the opportunity and findings are presented to the Investment Committee. Final unanimous approval of the Investment Committee is required before proceeding toward closing.

*Ownership Transition and Repositioning:* Once the asset is purchased, a team consisting of the Regional Asset Manager, Regional Operations Manager and Construction Manager meets frequently to discuss the repositioning and transition plan until it is completed. Additional oversight is performed senior members of the Asset Management, Operations, and Construction Services teams.

*Stabilization:* Throughout the asset's lifecycle, Operations continues to focus on growing revenues, managing expenses, and maximizing cash flow. Utilizing the Firm's data analytics infrastructure, proprietary dashboards which track leasing conditions, financial performance, capital plans and investment performance are carefully reviewed by management each month. This enables Bell to proactively develop plans to reduce potential volatility and maximize performance. Additionally, external reporting to investors is also provided including quarterly fund reports that track portfolio fundamentals, capital account changes, asset management initiatives and the overall financial health of the applicable Fund to ensure performance visibility and accountability.

*Harvest Value:* Every quarter, or as significant events warrant, the portfolio is reviewed to determine potential sale candidates in order to maximize total returns and harvest value for investors. Bell's national perspective and deep experience help it identify optimal times for exit. Criteria used in the evaluation include the current and projected IRR/equity multiple, current and expected property performance, buyer demand created by capital flows and forecasted apartment fundamentals.

## **Risks**

An investment in the Funds involves a high degree of risk. The risks described below and all of the information contained in the relevant Governing Documents should be carefully reviewed before an investment decision is made. If any of the following risks actually occur, the Fund's business, financial condition, and results of operations have the potential to suffer. In such case, investors may lose all or part of their investment.

*The Funds and Their Properties Face Strong Competition.* The real estate business is highly competitive and the Funds will compete with numerous entities engaged in real estate activities, many of which have greater financial resources than those of the Funds. Bell believes that success against such competition is dependent upon, among other things, the geographic location of the properties in the portfolio, the performance of the Funds' property managers in areas such as marketing, collections and control of

operating expenses, the amount of new construction in the area and the maintenance and appearance of the properties.

Furthermore, if a Fund's competitors offer rental rates below current market rates or below the rental rates at a Fund's properties, it is possible that its properties will lose tenants or its property managers will be unable to attract new tenants without lowering rental rates. Property managers may not be able to renew leases with existing tenants or re-let apartments to new tenants if existing tenants do not renew their leases. If rental rates for a Fund's properties decline, its property managers are unable to lease vacant apartments, tenants do not renew their leases or property managers do not re-let apartments from expiring leases, in each case, on favorable terms, rental revenues could be impacted, which in turn could affect a Fund's results of operations and ability to make distributions to its investors.

To the extent that a Fund seeks to sell any of its properties, the sales prices for such properties can be affected by competition from other real estate entities and financial institutions also attempting to sell their properties located in areas in which a Fund's properties are located, as well as by aggressive buyers attempting to penetrate or dominate a particular market.

*The Funds will be Subject to the Risks Inherent in Purchasing, Developing, Financing, Selling, Operating and Leasing Real Estate and the Performance and Value of a Fund's Investments Can be Adversely Affected by these Risks.* The Funds will be subject to all risks incident to the ownership and financing of real estate and interests therein, many of which relate to the general illiquidity of real estate investments. These risks include, but are not limited to, changes in general or local economic conditions, weak job or income growth, increased competition, changes in buyer or renter habits, demographic shifts, changes in interest rates and the availability of permanent mortgage financing which may render the purchase, sale or refinancing of a property difficult or unattractive and which may make debt service burdensome, changes in demand for real estate generally and in specific areas, changes in real estate, zoning and tax laws, increases in real estate taxes, federal or local rent controls, energy shortages and the price of oil, floods, earthquakes, hurricanes and other acts of God, acts by terrorists, acts of war or armed conflicts, public health concerns, including the widespread outbreak of infectious or contagious diseases such as the COVID-19 pandemic, and other factors beyond the control of Bell. These risks could have a negative impact on the U.S. economy and the financial condition and results of operations of Bell, impair the ability of Bell to provide adequate services to the Funds and their investments, or cause reputational harm if an outbreak or quarantine occurs at a property managed or owned by a Fund, any of which could adversely affect the performance and value of a Fund's investments. In addition, periods of economic downturn or recession, a full or partial U.S. government shutdown, or the possibility that it may occur, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur, could result in a general decline in rents, longer holding periods for investments or an increased incidence of defaults under existing leases, although certain expenses associated with an investment in real estate (such as mortgage payments, real estate taxes and maintenance costs) will not generally decline. The illiquidity of real estate investments can also

impair the ability of Bell to respond promptly to changing circumstances. These risks have the potential to adversely affect the Funds' financial condition and results of operations.

There is no assurance that any project will be successful. Problems and delays can be encountered after the purchase, including those related to increased capital costs, delayed development schedules, tenant relations, litigation, maintenance and improvement costs, and otherwise. Lawsuits filed by tenants, vendors and third parties can have a negative financial impact on an investment. The Funds expect that many of their properties will be subject to short-term leases for a year or less. Because these leases would generally permit the tenants to leave at the end of the lease term without penalty, such Fund's rental revenues could be impacted by declines in market rents more quickly than for longer-term leases. The failure to replace tenants could impact the rental revenues. Some of the other risks described herein can affect a Fund's schedules for acquiring, developing and selling properties.

*Unfavorable Economic Conditions, Including Inflation, Recession, and Rising Interest Rates, Could Adversely Affect Occupancy Levels, Rental Revenues and the Value of the Funds' Investments.* The Funds' ability to lease properties at favorable rates, maintain high occupancy and collections rates and to acquire and eventually sell investments on favorable terms is dependent upon both global and domestic economic conditions. Unfavorable economic conditions, including a potential recession or increased unemployment, the current inflationary pressures, high interest rates, stock market volatility and uncertainty about the future, may materially adversely affect the financial condition or results of operations of a Fund's investments. Rising interest rates in response to substantial inflationary pressures has caused some dislocation in the investment markets since early 2022. Many lenders have retrenched, and debt capital has become less available and more expensive, particularly at higher leverage levels. Transaction volume has slowed as a result and price discovery from the capital markets dislocation is pushing capitalization rates higher. With inflation remaining elevated, there is continued uncertainty in the investment market until there is greater clarity on interest rates and lending.

Continued high inflation could also have a negative impact on property operating expenses if the interest on debt, general and administrative expenses and other expenses increase at a rate faster than increases in rental rates. Because the Funds intend to incur debt to buy, build and otherwise improve the real estate in its portfolio, rising interest rates expose the Funds to increased interest and borrowing expenses and potential risk of foreclosure if debt cannot be serviced.

*A Fund May Be Unable to Successfully Integrate and Operate Acquired Properties and Achieve the Intended Benefits of such Fund's other Acquisitions.* Even if a Fund is able to make acquisitions on favorable terms, such Fund's ability to successfully integrate and operate its properties is subject to various risks, many of which are described herein. In addition, it is possible a Fund will be unable to accomplish the integration of an acquired property smoothly, successfully or within anticipated cost estimates. The diversion of management's attention from a Fund's operations to any such integration efforts, and any difficulties encountered, could prevent the Fund from realizing the full benefits anticipated to result from such acquisition and could have a material adverse effect on the Fund.



*Lack of Diversification and Liquidity Can Adversely Affect a Fund's Performance.* Certain Funds will invest only in developed and undeveloped apartment projects. A negative performance by the multifamily sector could adversely affect such Funds as they will not have investments in other classes of assets. Furthermore, real estate assets are relatively illiquid. Moreover, because some Fund subsidiaries will elect to be treated as a REIT for U.S. federal income tax purposes, Bell may cause a Fund not to sell or otherwise dispose of property at a time which would otherwise be most favorable to avoid application to the Fund of the 100% penalty tax on net income from "prohibited transactions." Accordingly, the ability of such Funds to vary their portfolio of real estate assets or otherwise respond promptly in response to changes in economic and other conditions will be limited.

*A Diverse Portfolio May Require Third Party Equity Co-Investment.* Each Fund is permitted to seek to enlist financial partners who invest with a Fund in any given project. If a Fund does not raise the targeted capital, or if a Fund does not find other suitable equity co-investors or debt financing sources, the number of projects that can be acquired will be smaller, which in turn would result in less diversification and more risk of loss to the Fund in the event of underperformance by any one of the projects.

*Co-Investment or Joint Venture Investments Involve Risks that are Not Present when a Fund is the Sole Owner of a Property.* Investments with third parties can adversely affect the Funds' ability to achieve investment objectives and have the potential to negatively affect returns. The Funds would likely be adversely affected if a Fund's partner or joint venture becomes financially insolvent or have economic or business interest or goals that are inconsistent with those of the Funds. Certain Funds own only a minority interest in such entity and will not have the right to control major decisions of the venture. In addition, under certain circumstances, a Fund, under certain circumstances, will be liable for the actions of its third-party partners or co-venturers. As a result, returns to all investors can be negatively impacted.

*An Inability to Make Follow-On Investments Can Reduce Returns.* A Fund will often be called upon to provide follow-up funding for its investments or have an opportunity to increase its investment in a co-investment entity. There can be no assurance that a Fund will have sufficient funds to do so. Any inability of a Fund to make follow-on investments can have a substantial negative impact on such Fund's return on such investment or may diminish the Fund's subsequent ability to influence such investment.

*Mortgage Financing Involves Risk and Exposes the Funds to the Possibility of Foreclosure and Increased Expenses.* The Funds incur debt to buy, build and otherwise improve the real estate in their portfolio and will generally acquire investments subject to existing financing. Leverage will increase the exposure of such investments to adverse economic factors, such as rising interest rates, which risks may be exacerbated if the Funds incur floating rate debt, severe economic downturns or deterioration in the condition of the investment or its corresponding market. Debt service requirements sometimes cannot be reduced if the project under-performs. If a project does not perform as expected (due to lower than projected rental rates, higher vacancy rates or otherwise) and a Fund is unable to

renegotiate the terms of the debt service with the lender, the Fund could lose the project in mortgage foreclosure. To the extent that any of a Fund's properties are cross-collateralized, a default could trigger foreclosure against multiple properties. If any of a Fund's properties are foreclosed upon as a result of default, it would adversely impact such Fund. Additionally, an adverse track record in as few as one or two projects could impair a Fund's ability to obtain debt financing or negotiate debt service relief for other projects. Bell manages several other investments. If there is a default in any loan secured by a property managed by Bell or an affiliate, it can impair a Fund's ability to obtain debt financing or negotiate debt service relief for its properties.

Debt financing could be more costly and harder to obtain than it has been in the past few years. Freddie Mac and Fannie Mae have provided much of the financing for the multifamily sector during the last few years. If the government restructures the Freddie Mac or Fannie Mae programs, it could have an adverse effect on a Fund's ability to obtain financing. The expected returns from real estate projects can be adversely affected by mortgage availability and lending rates. In some cases, a Fund will potentially repay only a small portion of the principal of its debt prior to maturity. Accordingly, it is possible that a Fund will need to refinance at least a portion of their outstanding debt as they mature. There can be no guarantee that a Fund will be able to refinance existing debt and the terms of any refinancing will not always be as favorable as the terms of its existing debt. In addition, if debt on a specific property matures and cannot be refinanced due to the unavailability of credit, then a Fund may have to sell the property, possibly at a loss, or it could face foreclosure.

*Disruptions in the Financial Markets Could Adversely Affect the Ability to Obtain Sufficient Third-Party Financing for Capital Needs.* The U.S. stock and credit markets are experiencing price volatility, high interest rates, dislocations and liquidity disruptions, which has the potential to negatively impact the Funds' ability to access financing on advantageous terms. If the Funds cannot obtain capital from third-party sources, the number of projects that can be acquired by a Fund can be limited, which in turn would result in less diversification and more risk of loss in the event of underperformance by any one of the projects.

*Certain Funds Will be Subject to Risks Inherent in Debt Investments.* Though not its primary investment objective, certain Funds are permitted to invest in mortgage loans, mezzanine debt or other indebtedness secured by real property, often with the intent of ultimately acquiring an ownership interest in the underlying property. Such debt investments are subject to, among other risks: (i) the risks attendant to foreclosure; (ii) the risk of delays and expenses due to counterclaims; (iii) the risk that the debtor will file bankruptcy; and (iv) the risk that the owner of the property may not adequately maintain or insure the property. In addition, these investments may be subordinated to a senior lender.

*Government Regulations, such as the Americans with Disabilities Act, Could Increase Expenses of the Funds and Affect the Funds in Ways that are Difficult to Determine Today.* The Funds' investments are subject to a number of government regulations, such as zoning, environmental and other laws, including the Fair Housing Act, as amended (the "FHA"), and the Americans with Disabilities Act of 1990, as amended (the "ADA"). Compliance with these laws and regulations can make a Fund's projects more costly.

Changes in laws or regulations can affect operations in ways that cannot be anticipated today. As an example, local real property taxes may increase or decrease as tax rates change and/or as assessment boards change assessment methods.

Under the ADA, all public accommodations are required to meet federal requirements related to physical access and use by disabled persons. While Bell will try to anticipate costs of complying with these requirements in pricing projects, a determination that a property is not in compliance with the ADA after a Fund has taken ownership could result in fines or damage awards to private litigants. Post-investment modifications to a building to comply with the ADA could adversely affect the building's anticipated economic performance. In recent years there has been heightened scrutiny of multifamily housing communities with the requirements of the FHA and ADA.

*The Funds Will Likely Incur Certain Liabilities Related to Sales of Properties.* In connection with the sale of a property, a Fund makes certain representations to the purchaser. A Fund may also be required to establish escrows or provide indemnities to purchasers. These situations would likely require Bell to maintain reserves to meet such contingencies.

*The Funds are Subject to Risks from Climate Change and Natural Disasters such as Earthquakes and Severe Weather Conditions.* Certain Funds' properties will be located in areas that may be subject to climate change and natural disasters, such as earthquakes and wildfires, and severe weather conditions. Climate change and natural disasters, including rising sea levels, flooding, extreme weather and changes in precipitation and temperature, can result in physical damage to, or a total loss of, the properties located in areas affected by these conditions, including those in low-lying areas close to sea level and/or decreases in demand, rent from, or the value of those properties. In addition, a Fund may incur material costs to protect these properties. Furthermore, changes in federal and state legislation and regulations on climate change could result in increased utility expenses and/or increased capital expenditures to improve the energy efficiency and reduce carbon emissions of a Fund's properties in order to comply with such regulations or result in fines for non-compliance. The extent of a Fund's casualty losses in connection with such events is a function of the severity of the event, the total amount of exposure in the affected area and whether the losses are covered by insurance. As a result, a Fund's operating and financial results can vary significantly from one period to the next, and its financial results can be adversely affected by its exposure to losses arising from climate change, natural disasters or severe weather conditions.

*Property and Casualty Losses Cannot be Anticipated and May Not be Fully Covered by Insurance.* The Funds will maintain an insurance program to cover their properties and operating activities to reduce the exposure to losses. There are certain types of extraordinary losses such as acts of war or, particularly in coastal regions, natural catastrophes (e.g., hurricanes, earthquakes, tornadoes, floods, etc.) that may not be completely covered under existing insurance programs due to high insurance deductibles, self-insured retention, uninsured claims or casualties. In many instances, complete coverage is either unavailable or the cost is prohibitive. The availability and cost of insurance are determined by national and regional market conditions outside of Bell's control.

To the extent a Fund has a geographic concentration of exposures, a single catastrophe has the potential to have a significant impact on its financial condition and results of operations. No one can accurately predict catastrophes or the number and type of catastrophic events. If one or more properties were to experience a catastrophic loss, it could delay revenue and result in large expenses to repair or rebuild the property. Such events could adversely affect cash flow and a Fund's ability to make distributions to investors, or may even require an additional capital call from investors. Inflation, lender requirements, changes in building codes and ordinances, environmental considerations and other factors also might make it infeasible to use insurance proceeds to replace a property after it has been damaged or destroyed.

*The Funds Will Depend on their General Partner. The Success of the Funds' Investments is Also Dependent on the Property Managers.* The Funds will depend on the services of their General Partners, the officers of the General Partners and BPI and the officers of Bell. A Fund could be adversely and materially affected if its key people did not continue to serve as an officer of the General Partner (or BPI or Bell), as it may be difficult to replace their expertise.

The successful operation of the properties acquired by a Fund is also dependent on the management capabilities of the property managers engaged to perform the day-to-day management functions for each property. There can be no assurance that the property managers will be able to market, manage and operate each property successfully. Further, other properties managed by a property manager may compete for the time and attention of key personnel charged with managing the property.

*The General Partners Have Complete Authority to Direct the Business of the Funds.* Investors will have limited voting rights on matters concerning the Fund in which they invest. Investors' right to remove a General Partner is limited as set forth in the Governing Documents. Even if investors successfully remove a Fund's General Partner, the General Partner may still serve as the General Partner of a related feeder Fund and exercise some control over a master fund's activities. A General Partner's removal could also constitute a default under various agreements to which BPI or Bell is a party and to which a Fund is subject.

Subject to certain approval rights of an advisory committee, each General Partner is vested with complete and exclusive authority to control and manage the relevant Fund, including authority to purchase, lease and sell real estate, borrow and repay funds on behalf of such Fund, establish cash reserves and make cash distributions to investors, and other functions, all without consulting or obtaining the approval of any investors. Investment decisions will be made solely by each General Partner, subject to any approval rights of the relevant advisory committee.

*The General Partners and Bell are Subject to Limited Liability and May be Indemnified by the Funds.* The Governing Documents of each Fund state the circumstances under which Bell and a General Partner, and its members, managers, officers or employees, are to be released from liability to a Fund and its investors for damages or losses that may be incurred by virtue of Bell's and the General Partner's performance of services for a Fund. As a result, the Funds and their investors may have a more limited right of action in certain cases than they might otherwise have. Additionally, such persons

may be entitled to indemnification by a Fund, in which event the assets of such Fund (including the capital commitments of investors) would be used to indemnify such persons.

*The Funds Face Risks of Unanticipated Environmental Liabilities.* It is possible a Fund will acquire projects with potential environmental issues, such as buildings with asbestos-bearing materials or mold, or land that is contaminated by storage of regulated substances (gasoline, solvents, etc.). In each instance in which it makes a direct investment in a property, a Fund will hire environmental consultants to assess the extent of potential environmental issues. However, environmental laws may impose liabilities on owners or operators of real property for the removal or remediation of hazardous or toxic substances on the property regardless of whether the owner or operator knew of, or was responsible for, the presence of these substances. Therefore, a Fund could become liable for the costs of removing such substances even after buying the properties without knowledge of the problems. In addition, a Fund's investigations of potential environmental liabilities could be incomplete, thereby giving rise to additional unanticipated remediation costs. Any such costs incurred by a Fund could materially and adversely affect the success of such Fund's investment in the related property.

*Rent Control Legislation Can Harm a Fund's Ability to Increase Rents.* State and local rent control laws in certain jurisdictions can limit a Fund's ability to increase rents and to recover increases in operating expenses and the costs of capital improvements. It is possible a Fund will purchase properties in markets that are either subject to rent control or in which rent-limiting legislation exists or is enacted.

*The Failure of Investors to Fund Capital Commitments Could have a Material Adverse Effect on the Funds.* If one or more investors fail to fund their capital commitment obligations when due, the ability of such Fund to complete its acquisitions or the development or redevelopment of properties, or otherwise to continue operations, could be substantially impaired. A default by one or more investors could limit the opportunities for investment diversification and adversely affect the financial performance of the Funds.

*The General Partners Have Entered into Separate Agreements with Investors.* The General Partners have, on behalf of themselves or certain Funds, entered into agreements that alter or supplement a particular investor's economic, legal or other rights or obligations with respect to such investor's investment in a Fund (such agreements commonly referred to as "side letters"). Entering into side letters can result in increased costs and ongoing legal and administrative expenses, and certain investors participate in a Fund on more beneficial terms than others. Some side letter rights are likely to confer benefits on an investor at the expense of a Fund or of investors as a whole, including in the event a side letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

*Investors Will Be Restricted from Transferring or Reselling their Fund Interests; the Interests Lack a Public Market.* The interests in the Funds will not be registered with the SEC under the Securities Act (or under any state securities laws). As a result, the Fund interests are a "restricted security," as that term is defined under Rule 144 promulgated under the Securities Act, and may not be resold without registration with the SEC or the availability of an exemption therefrom. The Funds are private companies and there is

no public market for the interests in the Funds, and it is highly unlikely that any such market will develop in the future. Additionally, the Governing Documents contain significant restrictions on the ability of investors to transfer their interests. Because there can be no assurance as to the development or liquidity of any market for the Fund interests, investors must expect to bear the economic risk of an investment in the Fund interests for an indefinite period. Investors should provide for financial needs independent of their investment.

*The Funds and Their Affiliates May Be Vulnerable to Cybersecurity Threats which Could Disrupt Bell's Operations and Have a Material Adverse Effect on the Funds.* The management and operation of the Funds' investments require the Funds, Bell and their affiliates to access, process, transmit and store investor, tenant, vendor and employee personal identifying information including names, addresses, phone numbers, email addresses, contact preferences, tax identification numbers and payment account information. During the leasing process, Bell's affiliates will receive and maintain personal and financial information of residents and potential residents, which its affiliates are required to safeguard pursuant to various federal and state laws. The Funds', the General Partners' and their affiliates' transmission and storage of data may be compromised as a result of system, network or internet failures, cyber-attacks, ransomware and other malware, third-party cybersecurity incidents, employee error, negligence, fraud or other irregularities. A party who is able to compromise Bell's or such affiliate's information technology networks and systems could misappropriate such information, for which Bell or such affiliate could be held liable. Bell and its affiliates also rely on third-party service providers in the conduct of their business and can provide no assurance that the security measures of those providers will be effective. Although Bell, its affiliates and their third-party service providers make efforts to maintain the security and integrity of their information, Bell and its affiliates can provide no assurance that their data security measures will be able to detect or prevent all cybersecurity incidents. Furthermore, increased regulation of data collection, use and retention practices, including self-regulation and industry standards, changes in existing laws and regulations, enactment of new laws and regulations, increased enforcement activity, and changes in interpretation of laws, could increase cost of compliance and operation or otherwise harm Bell and its affiliates. While Bell's affiliates have purchased cybersecurity insurance, there are no assurances that the coverage would be adequate in relation to any incurred losses. Moreover, as cyber-attacks increase in frequency and magnitude, Bell and its affiliates may be unable to obtain cybersecurity insurance in amounts and on terms we view as adequate for our operations.

*Disclosure of Confidential Information Can Adversely Affect the Funds, the General Partners, Bell and the Economic Interests of Investors.* The Governing Documents will contain confidentiality provisions intended to protect proprietary and other information relating to the Funds. To the extent that such information is publicly disclosed, competitors of the Funds may benefit from such information, thereby adversely affecting the Funds, the General Partners, Bell and the economic interests of investors. Investors may include entities that are subject to state public records or similar laws that may compel public disclosure of confidential information regarding a Fund, its investments and its investors. There can be no assurance that such information will not be disclosed, either publicly, to regulators or otherwise. To the extent that Bell determines that, as a result of such public records or similar laws, an investor

or any of its affiliates or agents is required to disclose information relating to a Fund or its affiliates (other than information with respect to which Bell has previously provided the investor with written consent to disclose), Bell may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such investor.

*Future Cash Flows May Not Be Sufficient to Make Distributions and Investors May be Subject to Tax Liability Regardless of Whether any Such Distributions are Made.* Distributions will be at the sole discretion of the General Partner and will depend upon a variety of circumstances, including a Fund's actual and projected financial condition, loan covenants and requirements, results of operations, cash flows, liquidity, the failure of a subsidiary to qualify as a REIT and such other matters as the General Partner may deem relevant. Therefore, a Fund may not be able to make distributions to investors for an extended period of time. Furthermore, the Funds are not required to make tax distributions to their investors. Accordingly, investors may be required to recognize taxable income from a Fund in a particular year without receiving a corresponding distribution of cash with which to pay the tax on such income.

*Investing in the Funds Can Have Complicated Tax Consequences.* Investors in the Funds will be subject to the risks and uncertainties associated with the tax treatment of partnerships, REITs, blocker and other entities, which can be complicated. Persons considering an investment in a Fund are strongly encouraged to consult their own tax advisors regarding the U.S. federal income tax consequences (including any other U.S. federal, state and local, and foreign tax consequences) of their prospective investment and the consequences of such an investment to them.

*An Investment in a REIT Creates Certain Risks.* As described above, certain Fund subsidiaries will elect to be treated as a REIT for U.S. federal income tax purposes. A REIT generally is not subject to U.S. federal income tax on the income that it distributes to shareholders if it meets the applicable distribution and other requirements for qualification as a REIT. In order to qualify as a REIT, an entity must meet on a continuing basis, through actual annual (or, in some cases, quarterly) operating results, various requirements under the Internal Revenue Code with regard to, among other things, its sources of gross income, the composition and values of its assets, its distribution levels and the diversity of ownership of its stock. The determination that an entity qualifies as a REIT requires an analysis of various factual matters and circumstances that may not be totally within the control of the REIT, and even a technical or inadvertent mistake could jeopardize the entity's status as a REIT. Furthermore, Congress and the IRS may make changes to the tax laws and regulations that may make it difficult or impossible for an entity to qualify as a REIT. If an entity fails to qualify as a REIT, it generally will be subject to U.S. federal, state and local income tax at regular corporate rates. In addition, the entity would not be allowed to take a deduction for distributions to its shareholders in computing its taxable income. Thus, as a general matter, if a Fund subsidiary fails to qualify as a REIT, it would have to pay significant corporate income taxes and its net earnings available for investment, or for distribution to its members, would be permanently reduced because of the additional tax liability for the year or years involved. Also, unless the IRS granted relief under statutory provisions, a Fund subsidiary would remain disqualified as a REIT for the four years following the year it first failed to

qualify. Even if a subsidiary qualifies for taxation as a REIT, it may be subject to certain U.S. federal, state and local taxes on its income and assets, including taxes on any undistributed income, and state or local income, property and transfer taxes.

Complying with the REIT requirements may force a subsidiary to forego and/or liquidate otherwise attractive investment opportunities. To qualify as a REIT, a subsidiary must satisfy certain requirements concerning the nature of its assets and income, which may restrict its ability to invest in various types of assets. In addition, to satisfy the applicable income requirements, a REIT generally will be restricted to acquiring assets that generate qualifying income for purposes of certain income tests. These restrictions could adversely affect a subsidiary's ability to optimize its portfolio of assets.

*Tax Legislation Could Significantly Impact a Fund's Business, Operations and Investors.* At any time, any U.S. federal income tax laws, or the administrative interpretations of such laws, may be amended. Changes in tax law could materially affect the tax consequences of an investor's investment in the Funds and the tax treatment of a Fund's investments. Bell cannot predict when or if any new U.S. federal income tax law, regulation or administrative interpretation, or any amendment to any existing U.S. federal income tax law, regulation or administrative interpretation will be adopted, promulgated or become effective, but these changes might include, in particular, increases in income tax rates, possibly with retroactive effect. Any such change in law, or any new, U.S. federal income tax law, regulation or administrative interpretation, could have a material adverse effect on a Fund's business, financial condition and results of operations.

*Valuations of Assets May Not be Accurate.* Any valuation by a General Partner of the assets of a Fund is a subjective analysis of the projected fair market value and requires the use of techniques that provide no more than an estimate of value. Valuations can result in adjustments of a Fund's aggregate fair market values. Accordingly, there can be no assurance that a Fund's aggregate fair market values, as calculated based on such valuations, will be accurate on any given date, nor can there be any assurance that the sale of any asset would be at a price equivalent to the last estimated value of such asset.

*A Fund May Hold Investments at the Date of a Fund's Termination.* It is possible that a Fund will invest in properties that are not sold prior to the date on which the Fund will be dissolved, either by expiration of its term or otherwise, or may hold outstanding loans with a maturity date later than such dissolution date. Although Bell expects that investments will either be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, a Fund may have to sell, distribute or otherwise dispose of assets at a disadvantageous time as a result of meeting the timing for dissolution.

*Bell Provides Projections that are Subject to Numerous Assumptions and Actual Results May Differ from Those Projections.* Any projections, forecasts or other estimates in this Brochure or in marketing materials with respect to a Fund are forward-looking statements and are based upon certain assumptions. Although these forward-looking statements are based upon assumptions and research that Bell believes are reasonable, it is possible that actual results of operations and achievements will differ materially from the projections, forecasts and other estimates set forth herein or such marketing materials. In addition, the Funds rely upon projections, forecasts or estimates developed by Bell or



its affiliates concerning an investment's future performance and cash flow. Net performance information presented by Bell may be based upon projected future cash flows from properties that have not yet been realized. Actual results are difficult to predict and typically depend upon factors that are beyond Bell's control. Some important factors that could cause actual results to differ materially from those in any forward-looking statements include, but are not limited to, the following: changes in interest rates; financial, market, economic, or legal conditions, including the availability of leverage; and the allocation of the Funds' investments among acquisition, development and redevelopment opportunities. There can be no assurance that estimated returns or projections can be realized or that actual returns or results will not be materially lower than those estimated herein.

Projections are inherently subject to uncertainty and factors beyond the control of Bell. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of an investment to realize projected values and cash flow, which could cause the value of the Funds' investments to decline from anticipated values that were based upon such projections. Investors should conduct their own analysis of the Funds, using such assumptions as they deem appropriate, in making an investment decision.

*Enhanced Scrutiny and Regulation of Private Funds will Impact Bell's Operations and Increase Costs.* There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private funds industry. In particular, the SEC has increased emphasis on investment adviser and private fund regulation and has both adopted and proposed a number of new rules that impose significant changes on private fund advisers and their management of private funds. Such changes are expected to materially impact Bell, the Funds and/or the investments, as well as increasing their expenses. Significant time and resources are expected to be required to comply with new regulations. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of the Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute their investment strategy or achieve their investment objectives.

In perhaps the most sweeping of rulemaking changes, on August 23, 2023, the SEC adopted new rules and amendments (collectively, the "Private Fund Rules") to existing rules under the Advisers Act specifically related to advisers to private funds. In particular, the Private Fund Rules (i) require quarterly reporting by registered private fund advisers to investors concerning performance, fees and expenses; (ii) require registered investment advisers to obtain an annual audit for private funds; (iii) require registered investment advisers to obtain a fairness opinion or a valuation opinion and make certain disclosures in connection with adviser-led secondary transactions; (iv) impose limitations and new disclosure requirements regarding preferential treatment of investors in private funds in side letters or other arrangements with the adviser; and (v) prohibit advisers to private funds from taking certain actions without providing disclosures to investors and, in some cases, without obtaining investor consent. The Private Fund Rules are expected to have a significant effect on Bell, the Funds and their operations, including increased compliance burdens and associated regulatory costs, increased investor reporting and disclosures to investors, enhanced risk of regulatory action and

additional regulatory uncertainty. Significant time and resources are expected to be required to comply with the Private Fund Rules, which potentially will detract from the time and resources dedicated to the Funds.

*Risks Related to Bell's Financial Institution Increases Risk of Losses to Bell.* An investment in a Fund is subject to the risk that one of the Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, Bell, the Funds may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, or the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are not subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Bell to manage the Funds and their investments, and on the ability of Bell or any Fund to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include a Fund having to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of BPI or Bell to make payroll, fulfill obligations and maintain operations. Although Bell expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. In addition, in the event Bell determines to change Financial Institutions, there is a risk that the transfer of cash or other assets, especially if done in an expedited manner, will result in a technical violation of Advisers Act Rule 206(4)-2 (the "Custody Rule"), even if performed in the Firm's best judgment of its efforts to fulfill its obligations and maintain operations, including its ability to close transactions, make payroll or otherwise.

Many Financial Institutions require, as a condition to using their services or otherwise, that Bell and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with such Financial Institution or its affiliate(s) and/or require capital calls to be funded into accounts at such Financial Institution (each, a "Custodian"), which heightens the risks associated with a Distress

Event with respect to such Custodians. Although Bell seeks to do business with Custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, Bell is under no obligation to use a minimum number of Custodians with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

*Environmental, Social and Governance Factors Will be Subordinate to Maximizing Returns on Investments.* Bell recognizes that, for many investors, environmental, social or governance (“ESG”) concerns and the societal impact of their portfolios is an important consideration which cannot be viewed in isolation from overall investment performance. Therefore, the Firm will endeavor to take certain ESG considerations into account in its investment decision and monitoring process. However, ESG is only one of the many factors Bell will consider in making investment decisions, and unless otherwise required pursuant to a Fund’s Governing Documents, the weight placed on any ESG considerations will be in Bell’s sole and absolute discretion. Bell seeks to make investments that maximize risk-adjusted returns generally, including by, where applicable, reducing ESG-related risk and/or creating additional value consistent with the terms of the Funds. While Bell believes ESG factors can enhance long term value, the Funds do not pursue an ESG or impact-based investment strategy nor do the Funds limit their investments to those that meet specific ESG criteria or standards. Applying ESG standards to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Bell or any judgment exercised by Bell will reflect the beliefs or values of any particular investor or group of investors. Finally, an assessment of ESG factors is not necessarily determinative and Bell’s investment decisions will always be subject to being made in a manner that is consistent with Bell’s fiduciary duty to act in the best interests of the Funds. Investments made by the Funds are not required, and may not, create positive ESG-related impacts.

In evaluating an investment and executing its ownership strategy, Bell expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources, which could be incomplete, inaccurate or unavailable, and which could cause Bell to incorrectly assess a company’s ESG practices and/or related risks and opportunities.

ESG practices are evolving rapidly and there are different principles, frameworks, methodologies and tracking tools being implemented by other asset managers, and Bell’s adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. Additionally, market pressures, including the potential adverse reaction by investors and other participants in the investment industry to the application of ESG factor to investment processes, could result in tensions, conflicts of interest or other potential issues as private fund sponsors navigate how to balance competing interests with respect to ESG considerations. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. Bell’s ESG policy and ESG practices could become subject to additional regulation in the future, and the Firm cannot guarantee that its current approach will meet future regulatory requirements or predict the manner in which any such future requirements (including any enforcement with respect thereto) could affect a Fund or its investments, including with respect to future administrative burdens and costs.

*Bell and Its Affiliates Are and May be Subject to Future Litigation that can have a Material Adverse Effect on Bell and the Funds.* In connection with ordinary course investing and ownership activities, Bell, the Funds, the properties and their respective affiliates, employees and directors, are and may become involved in litigation either as a plaintiff or a defendant. There can be no assurance that any such litigation, once begun, would be resolved in favor of Bell, the Funds, the properties or their affiliates. Any such litigation could be prolonged and expensive and costs (which may include consultants, investigators, experts, electronic discovery vendors and other advisors, in addition to legal costs, and which in the aggregate may be substantial) in some cases will be borne by the Funds. In addition, it is by no means unusual for participants in reorganizations to use the threat of, as well as actual, litigation as a negotiating technique. Certain litigation or the resolution of certain litigation may affect the availability or cost of some insurance coverage, which could adversely impact Bell or its affiliates' results of operations and cash flows.

*Risks of Acquiring Real Property May Impact Fund Returns.* The Funds' real estate portfolio investments will be subject to various risks that cause fluctuations in occupancy, rental rates, operating income and expenses or that render the sale or financing of the portfolio investments' properties difficult or unattractive. For example, following the termination or expiration of a tenant's lease, there could be a period of time before a Fund's portfolio investments will begin receiving rental payments under a replacement lease. During that period, the portfolio investments (and indirectly, the Funds) will continue to bear fixed expenses such as interest, real estate taxes, maintenance and other operating expenses. In addition, declining economic conditions could impair the portfolio investments' ability to attract replacement tenants and achieve rental rates equal to or greater than the rents paid under previous leases. Increased competition for tenants would require the portfolio investments to make capital improvements to properties that the relevant Fund would not otherwise have planned. Any unbudgeted capital improvements that a Fund undertakes may divert cash that would otherwise be available for distribution to investors. To the extent that the portfolio investments are unable to renew leases or re-let spaces as leases expire, decreased cash flow from tenants will result, which would adversely impact the relevant Fund's returns.

## **Potential Conflicts of Interest**

Employees of BPI, through Bell, will provide services to the Funds. Key employees will devote such time to the business and affairs of the Funds as necessary in order to provide the services set forth in each Fund's Governing Documents, but are unlikely to work exclusively on one Fund's business. Bell provides real estate investment services to multiple Funds, to other entities sponsored by Bell and to third parties, and therefore can have conflicts of interest in allocating the time and services of its employees.

Certain General Partners are entitled to a Carried Interest. The existence of a General Partner's Carried Interest may create an incentive for a General Partner to make riskier or more speculative investments on behalf of the Fund than would be the case in the absence of a Carried Interest.

Bell also is entitled to an annual Asset Management Fee from certain Funds or their subsidiary entities. The Asset Management Fee is payable to Bell regardless of the performance of the Fund.

In addition, the General Partners and their affiliates earn certain property management and other fees if they perform services for certain investments. Although Bell believes that the fees to which it or its affiliates would be entitled for such services will be at or below market rates, there can be no assurance that a Fund would not be able to secure such services from third parties at rates more favorable to a Fund.

Bell serves as the investment manager of Funds that have different investment policies, fee structures and distribution priorities. There can be no assurance that issues relating to such different policies, fee structures and distribution priorities will not cause Bell to make investment, leverage or other decisions relating to investments by a Fund or co-investment projects that may not be in the best interests of investors.

It is also possible that a Fund will be a buyer of a property or properties being sold directly or indirectly by or through Bell. Except as set forth in the Governing Documents, certain potential conflicts of interest that arise from a transaction will be resolved by a majority vote of the relevant Fund advisory committee, as applicable.

*Conflicts Can Arise in the Calculation of Certain Fund Costs and Expenses.* The Governing Documents provide that the Funds will be responsible for all costs and expenses in connection with the Funds' operations, other than the costs and expenses that will be the responsibility of the General Partner and its affiliates. A potential conflict of interest exists in Bell's determination whether certain costs or expenses that are incurred in connection with the operation of a Fund will be those for which the Fund is responsible, or whether such expenses should be allocated among multiple Funds or borne by Bell. Investors will be reliant on the determinations of Bell in this regard, and also in regard to the allocation of investment expenses and any common operating expenses as between the Funds, any other affiliates and Bell. Because the allocation process can be subjective, from time to time, it is possible that subsequent review of allocations could result in an identification of expenses that should have been allocated in a different manner, in which case measures will be undertaken to correct such circumstance, which might include a reversal of the original expense allocation, if possible, or such other equitable adjustment believed by Bell to be the most appropriate corrective measure to ensure allocations are equitable on an overall basis in Bell's good faith judgment.

Some expenses are incurred on behalf of one Fund which have the potential to benefit other Funds. For example, information and data Bell obtains in connection with a Fund's research, due diligence and investment activities is expected to be valuable to other Funds. Additionally, tools and resources developed at Bell's expense will be the intellectual property of Bell and not the Fund.

*Conflicts of Interest Exist in the Allocation of Investments.* Affiliates of Bell directly or indirectly manage multiple Funds and expects that it will organize, manage, and participate in other funds in the future. From time to time, Bell is presented with investment opportunities that would be suitable for more

than one of the Funds and other co-investment vehicles operated by Bell. The Firm generally will not commence the operation of a new pooled investment fund with objectives substantially similar to those of the Funds until the end of the commitment period or such earlier time as described in each Fund's Governing Documents. During the commitment period of each Fund, all appropriate investment opportunities will be pursued by Bell principals through such Fund, subject to certain limited exceptions. Bell's principals and Bell's investment staff will continue to manage and monitor such investments until their realization. Bell in the future intends to sponsor and manage a variety of investment funds with objectives, strategies, scope and investment criteria that will potentially be the same as, similar to, or differ from the current Funds, provided that funds with a similar strategy are expected to be formed near the end of, or after the completion of, the commitment period. Such funds and/or their respective properties have the potential to compete with the Funds and/or properties of the Funds.

In determining which investment vehicles should participate in such investment opportunities, Bell and its affiliates are subject to potential conflicts of interest among the investors in such vehicles. Bell is committed to allocating investment opportunities among the Funds in a manner that it determines is fair and equitable and consistent with its fiduciary obligations and the Governing Documents of the Funds. To determine whether and to what extent the Funds will participate in an investment opportunity, Bell generally assesses whether an investment opportunity is appropriate for each relevant Fund and also considers certain factors, including, but not limited to, the amount of available capital commitments of the applicable Fund(s), anticipated future capital requirements of an investment opportunity, expected time to obtain liquidity, life-cycle, limitations in the Governing Documents of the applicable Funds, investment guidelines, diversification guidelines, investment strategies and objectives, legal, tax and regulatory considerations, and any other factors deemed relevant by Bell.

Bell's allocation of investment opportunities among the Funds is not always, and often will not, be proportional. Therefore, such allocations have the potential to be more advantageous to one Fund relative to another Fund. While Bell will allocate investment opportunities in a way that it believes in good faith is fair and equitable to each Fund, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they would be if the potential conflicts of interest did not exist. As a result of the foregoing policies, one Fund can invest in opportunities that another Fund has declined or can decline to invest in opportunities in which another Fund has invested. Where necessary, Bell will consult with and/or receive consent to conflicts from the requisite percentage interest of investors in, or an advisory committee consisting of, investors or investor representatives in the applicable Funds and/or co-investment vehicles.

*Investor Transfer of Interest.* In certain cases, Bell will have an opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify one or more secondary transferees of interest in a Fund. In the case of ordinary transfers, Bell will not receive compensation for identifying such transferees and will use its discretion to select such transferees

based on eligibility and other factors, and unless required by the relevant Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors. On occasion, a General Partner or its members have purchased the interest of a Fund investor.

*Reimbursements for Real Estate Services May Not Reflect Market Prices.* Affiliates of Bell are entitled to payment or reimbursement for property management, construction management, property tax administration and appeals, cable agreement negotiation, utility meter replacement and risk management services. Affiliates of Bell will make determinations of rates reimbursed based on consideration of a number of factors, which are generally expected to include the affiliates' experience with non-affiliated service providers and other methodologies determined by affiliates of Bell to be appropriate under the circumstances.

*The Advisory Committees of each Fund will not Represent All Investors or have Duties to all Investors and May have Conflicting Interests.* Each Fund's General Partner will appoint one or more investor representatives to an advisory committee, which has the ability to review and waive compliance with certain provisions of the relevant Governing Documents, including resolving potential conflicts of interest situations, and whose approval is required or can be requested in certain circumstances, including certain approvals or consents required by the Advisers Act. All investors are bound by the determinations of the relevant advisory committee, regardless of whether an investor is directly represented by a member of such advisory committee. The Governing Documents will provide that to the fullest extent permitted by applicable law, none of the advisory committee members shall owe any fiduciary duties to the Funds or any other investor. Members of the advisory committee can have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to the advisory committee for consideration or review. To the extent that an investor is not directly represented by a member of the advisory committee, such investor will have no influence over matters submitted to the advisory committee for review or approval. On any issue involving actual conflicts of interest, Bell will be guided by its good faith discretion.

It is possible that members of one Fund's advisory committee will also be a member of another Fund's advisory committee. In such instances, a conflict of interest could be deemed to exist if an advisory committee is requested to provide consent with respect to transactions which involve a conflict of interest between two or more Funds on which such advisory committee members serve, and such members would be unlikely to recuse themselves from any such vote. To the extent members of an advisory committee vote regarding conflicts or otherwise participate in matters involving a vote or action, such members may not vote solely in accordance with their interests related to one Fund vis a vis another Fund, including for example, if such a member is required to vote on issues regarding conflicts between the Funds. Such members are unrestricted from voting and have the potential to affirmatively vote in a manner that is in their own interest and adverse to the interest of other investors. Finally, advisory committee members may choose to abstain from voting on certain issues, which means that certain votes and issues could be decided only by non-abstaining members and less than a complete group of advisory committee members.

*Conflicts May Arise Related to the Interpretation of Governing Documents and Other Legal Requirements.* The Governing Documents of each Fund and related documents are detailed agreements that establish complex arrangements among Bell, the investors, the Fund, the General Partner and other entities and individuals. Questions can arise under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, can be broad, general, ambiguous or conflicting, and permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While Bell will construe the relevant agreements in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations Bell adopts will not necessarily be, and need not be, the interpretations that are the most favorable to the Funds or their investors.

*Consolidated Purchasing Arrangements.* BPI has instituted arrangements whereby properties and BPI participate in joint purchasing, rebate and vendor arrangements on a group-wide basis. All participants receive similar discounts and benefits. BPI does not receive any additional benefits beyond those that other participants receive. While Bell believes the properties receive preferred pricing and terms, it is possible a property could receive more competitive benefits if they were to negotiate for such services independently.

*Employee Investors have More Favorable Investment Terms Than Non-Employee Investors.* Certain owners, officers and employees of Bell and its affiliates invest in Funds established to invest in parallel with a main Fund. Subject to applicable law, the terms of an investment by such persons differs from, and is more favorable than, those of an investment by an external Fund investor. For example, owner, officer and employee investors generally will not be subject to an Asset Management Fee and/or Carried Interest with respect to their investment and they receive information regarding investments at different times than other investors.

*Certain Tax Matters May Create Conflicts of Interest.* Pursuant to the Governing Documents, the General Partners are the "partnership representative" under partnership audit rules currently in effect. Accordingly, each General Partner has authority to make tax elections under the Internal Revenue Code on behalf of the Fund and to take such other actions as permitted under the Governing Documents. To the extent that the characterization for U.S. federal income tax purposes of a particular "partnership item" are more or less favorable to the tax situation of a General Partner or any of its affiliates as opposed to that of the investors, a conflict of interest will exist.

*Presence of Taxable and Tax-Exempt Investors May Create Conflicts of Interest.* Direct and indirect investors in the Funds include both taxable and tax-exempt entities. As a general matter, tax-exempt entities are not subject to U.S. federal income tax. A Fund may, however, generate income that is subject to U.S. federal income tax for investors that are tax-exempt entities. This can present a conflict of interest between taxable and tax-exempt investors with respect to an action taken by Bell, and there can be no assurance that Bell will take an action that is in the best interests of a particular class of investors.



Investment through a Fund subsidiary, which will elect REIT status, would reduce, but may not eliminate, the potential conflict of interests between taxable and tax-exempt partners.

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

The Firm does not have any legal or other disciplinary events to report that are material to a current or prospective investor's evaluation of its advisory business or the integrity of its management.

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

Neither Bell nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer. Neither Bell nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing. Bell does not have arrangements with a related person who is a broker-dealer, municipal securities dealer, government securities dealer or broker, investment company, other investment adviser or financial planner, futures commission merchant, commodity pool operator, commodity trading adviser, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships that are material to its advisory business or to its Funds or its investors. Bell has and will continue to develop relationships with professionals who provide services it does not provide, including legal, accounting, banking, mortgage brokerage, placement agent services, tax preparation, insurance brokerage, real estate and mortgage brokerage, title insurance, architecture, engineering, environmental, compliance, information technology and other services. Some of these professionals provide services to Bell employees, the Funds or their properties. Additionally, some of these professionals are investors in the Funds, either personally or through their company.

As referenced in Item 4 above, Bell is affiliated with BPI, a vertically integrated real estate firm, and with Bell Acquisitions, LLC, which sources and diligences potential acquisitions. A wholly owned subsidiary of BPI, Bell Acquisitions, LLC, enters into contracts that are later assigned to the ultimate owning entity.

As described above in Item 4, Bell is affiliated with the Funds' General Partners which are deemed registered with the SEC under the Advisers Act pursuant to Bell's registration. These General Partners together with Bell operate as a single advisory business and serve as the General Partner, affiliate or managing members of private investment funds and other pooled vehicles and share common owners, officers, partners, employees, consultants or persons occupying similar positions. These General Partners do not have employees of their own.

Bell 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**

### **Code of Ethics and Personal Trading**

Pursuant to Rule 204A-1 of the Advisers Act, Bell has adopted a written code of ethics (“Code of Ethics”) that sets forth standards of conduct expected of supervised persons and addresses personal trading and reporting of personal securities transactions, gifts and entertainment and outside business activities, among other topics. The Code of Ethics requires all supervised persons to place Fund interests ahead of Bell’s interests and to maintain full compliance with the federal securities laws, including insider trading prohibitions.

The Code of Ethics establishes guidelines for personal trading requirements, insider trading and reporting of personal securities transactions, including certain pre-clearance and reporting obligations. Bell’s personal trading policies are designed to ensure that no Fund is disadvantaged by the transactions executed by a supervised person and that supervised persons do not misappropriate any benefit properly belonging to a Fund.

Supervised persons are permitted to make securities transactions in their personal accounts, subject to certain limitations. Supervised persons and their covered family members are prohibited from trading, either personally or on behalf of others, in securities while in possession of material nonpublic information regarding publicly traded securities or communicating material nonpublic information about such securities to others. Bell maintains a restricted list of issuers about which it has or may have material nonpublic information. Pre-clearance is required by supervised persons and their covered family members for trading in restricted list securities, initial public offerings and limited offerings. In addition, supervised persons are required to file certain reports and link certain brokerage accounts to Bell’s compliance software to enable monitoring of personal trading by the Compliance Team. Because Bell’s business focuses on private real estate investments, Bell expects that instances of supervised persons having access to material nonpublic information regarding publicly traded securities will be infrequent.

Supervised persons are required to certify their compliance with the Code of Ethics upon hire and on an annual basis. Supervised persons who violate the Code of Ethics will be subject to remedial actions, including, but not limited to, censure, suspension or dismissal. Supervised persons are also required to promptly report any violations of the Code of Ethics of which they become aware.

Bell will provide a copy of its Code of Ethics to any existing or prospective investor upon request to Bell’s Chief Compliance Officer, at [BellCompliance@bellpartnersinc.com](mailto:BellCompliance@bellpartnersinc.com) or (336) 232-1900.

### **Participation or Interest in Client Transactions**

Certain owners, officers and employees of Bell and its affiliates and their family members have invested in the Funds. As mentioned in Item 5 and Item 6 above, Bell generally waives the

Management Fee and Carried Interest related to investments held by such persons (as well as acquisition, disposition and refinancing fees, if any), but otherwise investments are made on the same terms as outside investors. Bell does not believe this arrangement presents a material conflict of interest since such investment aligns employee interests with the interests of Fund investors.

Section 206(3) of the Advisers Act generally prohibits investment advisers from engaging in principal, cross and agency cross transactions without the appropriate disclosure and consent. Bell will only enter into a principal, cross or agency cross transaction with the appropriate disclosure and consent.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, knowingly buys from or sells a security to an advisory client. This applies to any affiliates or controlling persons of the adviser (*i.e.*, an owner, employee or affiliate of the adviser, such as a fund general partner). Cross trades between funds can also be deemed to be principal transactions if the adviser (and/or its affiliates, owners, or controlling persons) own, in the aggregate, 25% or more of either fund. In the context of Bell's business, a principal transaction could arise in the context of warehousing an investment for the formation of a future fund or Bell or a Fund General Partner purchasing the interest of an existing investor. Cross transactions occur when an adviser or an affiliate arranges a transaction (*i.e.*, acts as broker) between two or more funds or accounts that are managed by that same adviser or an affiliate. An adviser is not "acting as a broker" if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the assets) for effecting the transaction and therefore is not considered to be conducting a cross transaction under Section 206(3) of the Advisers Act. In the context of Bell's business, a cross transaction may occur when selling an investment or other asset from one Fund to another. Agency cross transactions occur when an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer, which is not applicable to Bell.

In the event Bell were to recommend a principal transaction or cross transaction, it would only be after: (i) the Firm has determined the transaction to be in the best interest of participating clients; (ii) the transaction is permitted by the relevant Governing Documents; (iii) proper disclosure is given to the relevant General Partner, advisory committee or investors, as appropriate; (iv) consent is obtained from the appropriate parties; and (v) the Firm ensures that best execution is achieved for the transaction.

### **Conflicts of Interest**

If any matter arises that Bell determines in its good faith constitutes an actual conflict of interest, Bell will take such actions as are necessary or appropriate, and as permitted by any applicable Fund's Governing Documents, to address the conflict. The Governing Documents of each Fund include a description of what Bell believes to be the most significant conflicts of interest associated with an investment in that Fund. Some of these conflicts are summarized in Item 8 above.

## **Item 12 – Brokerage Practices**

Based on the nature of the investment strategies employed for the Funds, Bell has not made use of securities broker-dealers in the traditional sense to buy and sell portfolio investments on behalf of the Funds. Rather, investment advisory services provided by Bell have comprised solely of real estate advisory services for private real estate securities transactions through privately negotiated transactions (*e.g.*, purchases, sales, leases, joint ventures or financings). In such privately negotiated transactions, Bell or an affiliate will, on occasion, engage the services of a real estate broker for the purchase or sale of a property or a mortgage broker for the financing or refinancing of debt on a property. When retaining the services of such brokers, Bell will consider such factors as the broker's industry expertise or experience, its reputation and its capability based on previous and pending transactions effected for Bell and any of its affiliates and the broker's knowledge of or access to transactions Bell desires to pursue. Although Bell generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent.

Because of the nature of its investment services, Bell has not in the past received research or other soft dollar benefits in connection with securities transactions for the Funds, received investor referrals in connection with selecting or recommending broker-dealers for the Funds or engaged in directed brokerage. To the extent that Bell uses brokers to engage in securities transactions in the future, such activity will be conducted in accordance with applicable regulatory requirements.

## **Item 13 – Review of Accounts**

### **Review of Accounts**

The investment portfolios of the Funds have been comprised of private, illiquid and long-term in nature and accordingly Bell's review of them is not directed toward a short-term decision to dispose of securities. Bell's vertically integrated team closely monitors the properties held by the Funds. A team consisting of the Regional Asset Manager, Regional Operations Manager and Construction Manager meets every two weeks to discuss the repositioning and transition plan until the plan is completed. Additional oversight is performed by the Vice President of Asset Management, Senior Vice President of Operations and the Vice President of Construction Services. Bell also holds monthly calls for all assets undergoing the repositioning process which are attended by the asset and transaction teams as well as members of senior management including the Chief Executive Officer/President, Chief Operating Officer, Chief Financial Officer, and SVPs of Operations, Construction Services, Portfolio Management, Investments and Asset Management.

### **Investor Reporting**

Bell provides to investors on behalf of its Funds the following written reports: (i) annual audited financial statements prepared in accordance with United States generally accepted accounting principles ("GAAP") as promulgated by the Financial Accounting Standards Board ("FASB"), accompanied by the report of the independent certified public accountant within 120 days of fiscal

year end (or earlier as provided in the relevant Governing Documents); (ii) unaudited financial statements for the first three quarters of each fiscal year ;and (iii) annual tax information necessary for the completion of tax returns (K-1s). The Firm also has contact with investors (*e.g.*, personal visits, video conference, telephone and email) throughout the year as requested and/or as conditions warrant.

In the course of conducting due diligence, investors periodically request information pertaining to Bell's investment track record. Bell responds to these requests, and in answering such requests, provides information that is not always made available to other investors who have not requested such information. Additionally, as it pertains to existing investors, upon request or pursuant to contractual obligations (such as agreed to in a side letter), certain investors receive additional information and reporting that other investors do not receive. The fact that Bell provides such information upon request to one or more investors does not obligate Bell to affirmatively provide such information to all investors. As a result, certain investors will have more information about Bell and its investments than other investors, and Bell has no duty, and does not intend, to ensure that all investors seek, obtain or possess the same information regarding a Fund and its investments.

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

Bell and its affiliates receive fees from the Funds and from third parties for the provision of certain affiliated services as described in Item 5, above.

When raising capital for a new Fund, Bell or BPI typically engages the services of a registered broker-dealer to serve as placement agent for Fund units. Placement agent fees and expenses are payable by the General Partner.

#### **Item 15 – Custody**

Bell is deemed to have custody of the Funds' assets because the General Partners are not operationally independent from Bell: each Fund's General Partner generally has full discretion and control over Fund investments and cash, including the ability to deduct fees from Fund accounts. To comply with Advisers Act Rule 206(4)-2 (the "Custody Rule"), Bell has elected to undergo an annual GAAP financial statement audit by an independent public accountant registered with and subject to examination by the Public Company Accounting Oversight Board for each of the Funds over which it is deemed to have custody, copies of which are (or will be, for newly formed Funds) delivered to the Funds and their respective investors within 120 days of fiscal year end (or earlier as provided in the relevant Governing Documents). In addition, upon the final liquidation of a Fund, Bell will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all underlying investors promptly upon completion of the audit. Investors are encouraged to carefully review such financial statements.

Bell does not accept physical custody of Fund assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Called capital is directly deposited or wired into the relevant

Fund's bank account maintained with a qualified custodian. Bell receives monthly statements from each of its qualified custodians on behalf of the Funds. For more information about the Funds' qualified custodians, please see Form ADV Part 1, Schedule D, Section 7.B.(1).

## **Item 16 – Investment Discretion**

Bell generally receives and exercises discretionary authority to manage investments on behalf of the Funds as per the Governing Documents of each Fund. However, for those Funds for which Bell does not exercise complete investment discretion, Fund investors have retained certain decision rights regarding purchase, sale, and other decisions, as negotiated in each Fund's Governing Documents. To become an investor in any Fund, both those that are managed on a discretionary and on a non-discretionary basis, an investor must execute, among other documents, a subscription agreement and a limited partnership agreement (or similar agreement). Such documents generally contain a power of attorney that grants Bell or the applicable Fund's General Partner certain powers related to the orderly administration of the affairs of the Fund. Once an investor executes these documents, with limited exceptions discussed elsewhere in this Brochure, Bell is not required to contact an investor prior to transacting business in a Fund.

An investor can seek to impose limitations on Bell's authority through a side letter agreement, and the Firm and/or the relevant General Partner can choose to accept reasonable limitations or restrictions at its discretion. All limitations and restrictions placed upon Bell's investment authority with respect to an investor's investment must be presented to Bell and the relevant Fund's General Partner in writing and agreed to by all applicable parties.

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

Rule 206(4)-6 of the Advisers Act requires an investment adviser who exercises voting authority with respect to client securities to adopt and implement written policies and procedures reasonably designed to ensure that the adviser votes proxies in the best interest of its clients. Rule 206(4)-6 further requires an adviser to provide a concise summary of its proxy voting process and offer to provide copies of the complete proxy voting policy and procedures to clients upon request. Lastly, Rule 206(4)-6 requires that each adviser disclose to clients how they can obtain information on how the adviser voted their proxies.

Historically, the Funds have not invested in debt or equity securities for which the issuers issue proxies. If, in the future, the Funds determine to invest in securities of issuers that solicit proxies, Bell will implement policies and procedures to vote such proxies in accordance with its fiduciary duties under the Advisers Act and in the best interests of the Funds.

## **Item 18 – Financial Information**

Bell does not require or solicit prepayment six months or more in advance of more than \$1,200 in fees per Fund; has no financial condition reasonably likely to impair its ability to meet contractual commitments to Funds or investors; and has not been the subject of a bankruptcy proceeding.