File No. _____

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

In the matter of
AEW Capital Management, L.P.

Two Seaport Lane
Boston, MA 02210-2021

APPLICATION FOR AN ORDER PURSUANT TO SECTION 206A OF THE INVESTMENT ADVISERS ACT OF 1940, AS AMENDED, AND RULE 206(4)-5(e) THEREUNDER, EXEMPTING AEW CAPITAL MANAGEMENT, L.P. FROM RULE 206(4)-5(a)(1) UNDER THE INVESTMENT ADVISERS ACT OF 1940

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This Application, including Exhibits, consists of 30 pages
Exhibit Index appears on page 17

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In the matter of	)	APPLICATION FOR AN ORDER
	)	PURSUANT TO SECTION 206A
AEW CAPITAL MANAGEMENT, L.P.	)	OF THE INVESTMENT
	)	ADVISERS ACT OF 1940, AS
	)	AMENDED, AND RULE 206(4)5(e)
	)	THEREUNDER, EXEMPTING
	)	AEW CAPITAL MANAGEMENT,
	)	L.P. FROM RULE 206(4)-5(a)(1)
	)	UNDER THE INVESTMENT
	)	ADVISERS ACT OF 1940
	)	

I. PRELIMINARY STATEMENT AND INTRODUCTION

AEW Capital Management, L.P. (the "Adviser" or the "Applicant") hereby applies to the Securities and Exchange Commission (the "Commission") for an order pursuant to Section 206A of the Investment Advisers Act of 1940, as amended (the "Act"), and Rule 206(4)-5(e), exempting the Adviser from the two-year prohibition on compensation imposed by Rule 206(4)-5(a)(1) under the Act for investment advisory services provided to the government entity described below following a contribution to a local official by an individual who was subsequently hired and became a covered associate as described in this Application (the "Application"), subject to the representations set forth herein.

Section 206A of the Act authorizes the Commission to "conditionally or unconditionally exempt any person or transaction . . . from any provision or provisions of [the Act] or of any rule or regulation thereunder, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of [the Act]."

Section 206(4) of the Act prohibits investment advisers from engaging in any act, practice, or course of business which is fraudulent, deceptive, or manipulative and directs the Commission to adopt such rules and regulations, define, and prescribe means reasonably designed to prevent, such acts, practices or courses of business. Under this authority, the Commission adopted Rule 206(4)-5 (the "Rule") which prohibits a registered investment adviser from providing "investment

advisory services for compensation to a government entity within two years after a contribution to an official of the government entity is made by the investment adviser or any covered associate of the investment adviser."

The term "government entity" is defined in Rule 206(4)-5(f)(5)(ii) as including a pool of assets sponsored or established by a State or political subdivision, or any agency, authority or instrumentality thereof, including a defined benefit plan. The definition of an "official" of such government entity in Rule 206(4)-5(f)(6)(ii) includes any candidate for an elective office with authority to appoint a person directly or indirectly able to influence the outcome of the government entity's hiring of an investment adviser. The "covered associates" of an investment adviser are defined in Rule 206(4)-5(f)(2)(i) as including its managing member, executive officer or other individuals with similar status or function as well as any employee who solicits a government entity on behalf of the investment adviser. Rule 206(4)-5(c) specifies that, when a government entity invests in a covered investment pool, the investment adviser to that covered investment pool will be treated as providing advisory services directly to the government entity. "Covered investment pool" is defined in Rule 206(4)-5(f)(3)(ii) as including any company that would be an investment company under Section 3(a) of the Investment Company Act of 1940, as amended (the "1940 Act"), but for the exclusion provided from that definition by Section 3(c)(7) of the 1940 Act.

Rule 206(4)-5(b) provides exceptions from the two-year prohibition under Rule 206(4)-5(a)(1) with respect to contributions that do not exceed a de minimis threshold, were made by a person more than six months before becoming a covered associate unless such person, after becoming a covered associate, solicits clients on behalf of the investment adviser, or were discovered by the adviser and returned by the official within a specified period and subject to certain other conditions. Should no exception be available, Rule 206(4)-5(e) permits an investment adviser to apply for, and the Commission to conditionally or unconditionally grant, an exemption from the Rule 206(4)-5(a)(1) prohibition on compensation.

In determining whether to grant an exemption, the Rule contemplates that the Commission will consider, among other things, (i) whether the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act; (ii) whether the investment adviser, (A) before the contribution resulting in the prohibition was made, adopted and implemented policies and procedures reasonably designed to prevent violations of the Rule; (B) prior to or at the time the

contribution which resulted in such prohibition was made, had no actual knowledge of the contribution; and (C) after learning of the contribution, (1) has taken all available steps to cause the contributor involved in making the contribution which resulted in such prohibition to obtain a return of the contribution; and (2) has taken such other remedial or preventive measures as may be appropriate under the circumstances; (iii) whether, at the time of the contribution, the contributor was a covered associate or otherwise an employee of the investment adviser, or was seeking such employment; (iv) the timing and amount of the contribution which resulted in the prohibition; (v) the nature of the election *(e.g.,* Federal, State or local); and (vi) the contributor's apparent intent or motive in making the contribution that resulted in the prohibition, as evidenced by the facts and circumstances surrounding such contribution.

Based on these considerations and the facts described in this Application, the Applicant respectfully submits that the relief requested herein is appropriate in the public interest and is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Accordingly, the Applicant requests an order exempting it to the extent described herein from the prohibition under Rule 206(4)-5(a)(1) to permit it to receive compensation for investment advisory services provided to the government entity described below within the two-year period following the contribution identified herein to an official of such government entity by a covered associate of the Applicant.

II. STATEMENT OF FACTS

A. The Applicant

The Adviser, AEW Capital Management, L.P. is a Delaware limited partnership registered with the Commission as an investment adviser under the Act. The Applicant provides discretionary investment advisory services relating to direct and indirect investments in real estate and real estate related services including providing discretionary investment advisory services to private funds (the "Funds"). The Applicant has aggregate regulatory assets under management of approximately $45.9 billion at December 31, 2021. Each of the Funds is a covered investment pool as defined in Rule 206(4)-5(f)(3)(ii).

B. The Contributor

The individual who made the campaign contribution that triggered the two-year compensation ban (the "Contribution") is Lauren O'Neill Goff (the "Contributor"). The Contributor was offered employment by the Adviser on October 26, 2021 to serve as chief operating officer of the Adviser's private equity group. At the time of the Contribution, she was a senior managing director and co-head of the Boston office for Jones Lang LaSalle Incorporated ("JLL"), a real estate firm that provides leasing, property and integrated facility management, and capital market services. She was not a covered associate and she did not provide services to the Adviser at the time of the Contribution, though JLL, as a large third-party service provider in the real estate industry, has acted as a third-party real estate broker for acquisitions and dispositions for real property assets owned indirectly on behalf of the Funds and client accounts managed by the Adviser. Since starting employment with the Adviser on January 24, 2022, the Contributor has assumed an executive officer position.

The COO role for which she was hired includes overseeing the Adviser's asset management and reporting and finance teams, and evaluating, establishing and monitoring operational standards for the Adviser's private equity platform. Although she was not hired to be a marketer, her role would ordinarily require attending diligence meetings with current and prospective investors and participating in efforts to increase and maintain capital commitments to the Adviser's Funds. Since joining the Adviser, she has not solicited government entities. She is not responsible for overseeing the Adviser's business development function, but members of her team do participate in solicitation meetings from time to time. She is also an executive officer of the Adviser. As such, she is a covered associate as defined in Rule 206(4)-5(f)(2)(i).

The Contributor shares certain political views with the Recipient, including pro-development views. The Contributor has, in the past, contributed to other state and local candidates with pro-development views and political action committees associated with the real estate industry. As discussed in detail below, the Contributor made the Contribution at a time when she was not a covered associate and more than six months before she would begin working for the Adviser.

C. The Government Entity

An investor in the Funds is a public pension plan identified as a government entity, as defined in Rule 206(4)-5(f)(5)(ii), with respect to the City of Boston (the "Client").

D. The Recipient

The recipient of the Contribution was Kim Janey (the "Recipient"), who was a Boston city council member who was acting mayor of Boston and running for re-election as mayor. The investment decisions for the Client, including the hiring of an investment adviser, are overseen by a five-member board, with two mayoral appointments (one member appointed directly to the board and the city auditor who serves on the board in an ex officio capacity). Due to the mayor's power of appointment, a candidate for mayor such as the Recipient is an "official" of the Client as defined in Rule 206(4)-5(f)(6)(ii).

The Recipient failed to advance from the primary election on September 14, 2021 and her service as acting mayor ended on November 16, 2021. Her city council term ended on January 3, 2022, so that she is now, and at all times since the beginning of the Contributor's employment with Adviser has been, a private citizen. The Recipient did not appoint any members to the Client's board during her eight months as acting mayor.

E. The Contribution

The Contribution that implicated Rule 206(4)-5's prohibition on compensation under Rule 206(4)-5(a)(1) was given on July 23, 2021 in the amount of $1,000 to the Recipient's campaign for mayor. The Recipient called the Contributor directly to solicit the donation in question and to ask her to host an event. The Contributor declined to host an event, but made a contribution. As a resident of Boston, the Contributor had a legitimate personal interest in the outcome of the campaign and genuinely believed that the Recipient would promote more favorable pro-development policies for Boston. The Contribution, profile of the candidate and characteristics of the campaign fall squarely within the historical pattern of the Contributor's other political leanings. Moreover, the Contributor was excited to support Boston's first female minority mayor.

In their brief interaction, there was no mention of the Client, its relationship to the Adviser – with whom the Contributor was not affiliated – or any other existing or prospective investors. There also was no discussion of the Recipient's potential appointment powers, influence or responsibilities involving the investment of city assets or public pension funds. At the time of the

Contribution, the Contributor had no intention of soliciting investment advisory business from the Client or any other government entity of which Janey was an official, as she did not even work in the investment adviser industry. She was first approached by one of the Adviser's executives about potential employment on July 9, 2021, then visited the Adviser's office, and had a call with the Adviser's talent search firm on July 21, 2021, but determined that she was not interested in either of the positions for which the Adviser was hiring. On August 15, 2021, the Adviser's talent search firm contacted the Contributor about resuming discussions and in late August the Contributor began discussions with the Adviser about the role for which she was ultimately hired in October 2021.

The Contributor did not solicit any other persons to make contributions to the Recipient's campaign, and did not arrange any introductions to potential supporters. The Contributor never informed the Client or their relationship managers at the Adviser of the Contribution. At no time did any employees of the Adviser other than the Contributor have any knowledge that the Contribution had been made prior to its discovery by the Adviser in October 2021 as a result of its routine prospective employee onboarding procedures.

F. The Investments of the Client with the Adviser

The Client has been an investor in Adviser's Funds since 2006, with additional investments having come in 2017 and April 2020. The Contributor has never presented for, or met with, any of the Client's representatives over the course of the relationship. As described below, once the Contributor solicits a government entity such that the Rule's two-year lookback applies and a ban is triggered, the Adviser will implement a procedure to segregate any compensation (including carried interest and management fees) attributable to the Client's investments in the Funds and withhold them from the Adviser pending the resolution of this Application.

The Contributor is not directly involved with the Client. The Contributor has had no contact with any representative of the Client, and no contact with any member of the Client's board.

G. The Adviser's Discovery of the Contribution and Response

The Contribution was discovered by the Adviser's compliance department in late October 2021 in the course of prospective employee vetting that included review of a pre-hire political contribution declaration on which the Contributor disclosed the Contribution. The Adviser

informed the Contributor that she would need to seek a refund, which she did in November 2021. The Contribution was refunded by the campaign on December 23, 2021.

The Adviser determined that although the Contributor would be an executive officer, and thus a covered associate under Rule 206(4)-5, she is currently only subject to the 6-month lookback in 17 CFR § 275.206(4)-5(b)(2). She did not become a covered associate until more than six months had elapsed since the date of the contribution. However, her role would ordinarily involve soliciting government entities. She is refraining from such solicitation, but in the event she were to solicit a government entity, the full two-year lookback would apply and trigger a ban. At that point, the portion of management fees and carried interest attributable to the Client's investments in the Funds from the date the Contributor became a covered associate until two years after the date of the contribution would be held by the Funds or placed in escrow and not distributed to the Adviser.

The Adviser also took steps to limit the Contributor's contact with any representative of the Client for the duration of the two-year period beginning July 23, 2021, including informing the Contributor that she could have no contact with any representative of the Client.

H. The Adviser's Pay-to-Play Policies and Procedures

The Adviser's Pay-to-Play Policies and Procedures ("Policy") were adopted and implemented before the Contribution was made. The Policy was adopted even before the Rule's proposal to address state pay-to-play laws, but was revised to align with the Rule in 2010.

At all times, the Policy has been more restrictive than what was contemplated by the Rule. All contributions to federal, state and local office incumbents and candidates are subject to pre-clearance, not post-contribution reporting, by employees under the Policy. There is no de minimis exception from pre-clearance for small contributions to these state and local officials. All employees of the Adviser are subject to the Policy. Its application is not limited to the Adviser's managing members, executive officers and other "covered associates" under the Rule. The members of each employee's immediate family are also fully subject to the Policy if they live with the employee.

When hiring an individual, the Adviser makes its job offer conditional on the individual disclosing any political contributions within the past two years. If any contributions are reported, the Adviser's human resources team will escalate to the legal and compliance team for review and

action. At time of hire, all new employees are provided with the Adviser's compliance training which includes the Policy. Annually, all employees are provided a link to the compliance manual which includes the Policy. The Policy is at all times available on the Adviser's intranet along with other resources related to the Policy (including a reminder that all contributions must be precleared). Annually, all employees must certify to their adherence to all policies in the compliance manual and code of ethics and specifically the Policy. As part of this annual certification, employees confirm that no political contributions were made other than those pre-cleared through the Adviser's compliance system (and each individual employee's certification would pull any contributions that were cleared). Employees also are required to complete an annual compliance and code of ethics training which specifically covers the Rule. Additionally, the Adviser conducts periodic forensic testing to confirm that the Policy is being followed. The legal and compliance team is responsible for monitoring and enforcing the Policy.

III. STANDARD FOR GRANTING AN EXEMPTION

In determining whether to grant an exemption, Rule 206(4)-5(e) requires that the Commission will consider, among other things, (i) whether the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act; (ii) whether the investment adviser, (A) before the contribution resulting in the prohibition was made, adopted and implemented policies and procedures reasonably designed to prevent violations of the Rule; (B) prior to or at the time the contribution which resulted in such prohibition was made, had no actual knowledge of the contribution; and (C) after learning of the contribution, (1) has taken all available steps to cause the contributor involved in making the contribution which resulted in such prohibition to obtain a return of the contribution; and (2) has taken such other remedial or preventive measures as may be appropriate under the circumstances; (iii) whether, at the time of the contribution, the contributor was a covered associate or otherwise an employee of the investment adviser, or was seeking such employment; (iv) the timing and amount of the contribution which resulted in the prohibition; (v) the nature of the election *(e.g.,* Federal, State or local); and (vi) the contributor's apparent intent or motive in making the contribution which resulted in the prohibition, as evidenced by the facts and circumstances surrounding such contribution. Each of these factors weighs in favor of granting the relief requested in this Application.

IV. STATEMENT IN SUPPORT OF EXEMPTIVE RELIEF

The Applicant submits that an exemption from the two-year prohibition on compensation is necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. The Client's decisions to invest with the Applicant and/or to establish advisory relationships have been made on an arms' length basis free from any improper influence as a result of the Contribution. In support of that conclusion, Applicant notes that the Client's decision to invest in Adviser's Funds substantially predates the Contributor's employment with the Adviser and the Recipient's becoming a covered official. Applicant also notes that although the Recipient's office had the legal authority to appoint two fifths of the Client's board, she did not actually appoint anyone during her limited service as mayor.

Given the nature of the Contribution, and the lack of any evidence that the Adviser or the Contributor intended to, or actually did, interfere with the Client's merit-based process for the selection or retention of advisory services, the interests of the Client are best served by allowing the Adviser and the Client to continue their relationship uninterrupted. Causing the Adviser to serve without compensation for the remainder of the two year period could result in a financial loss that is more than 600 times the amount of the Contribution. The policy underlying the Rule is served by ensuring that no improper influence is exercised over investment decisions by governmental entities as a result of campaign contributions and not by withholding compensation as a result of unintentional violations.

The other factors suggested for the Commission's consideration in Rule 206(4)-5(e) similarly weigh in favor of granting an exemption to avoid consequences disproportionate to the violation.

Policies and Procedures before the Contribution. The Adviser adopted and implemented the Policy which is fully compliant with, and more rigorous than, the Rule's requirements before the Rule's initial proposal by the Commission and substantially before the Rule's adoption or dates for required compliance. The Adviser also implemented a mandatory political contribution declaration for all employees provided a conditional offer of employment, and performed compliance testing that included random searches of campaign contribution databases for the names of employees. It was this declaration that was effective in identifying the Contribution before the Contributor became a covered associate.

Actual Knowledge of the Contribution. Actual knowledge of the Contribution at the time of its making cannot be imputed to the Adviser, given that the Contributor was not an employee of the Adviser. At no time did any employees of the Adviser other than the Contributor have any knowledge that the Contribution had been made prior to its discovery by the Adviser in October 2021 as part of its standard pre-hire vetting process.

Adviser's Response After the Contribution. After learning of the Contribution, the Adviser and the Contributor took all available steps to obtain a return of the Contribution. Before the Contributor began work with the Adviser, the Contributor had obtained a full refund of the Contribution. The Adviser has restricted the Contributor from soliciting the Client and is carefully monitoring the Contributor to ensure that it will begin restricting compensation related to the Client if the Contributor solicits any government entity.

Status of the Contributor. The Contributor is chief operating officer of the Adviser's private equity group, with responsibility for overseeing the Adviser's asset management and reporting and finance teams, and evaluating, establishing and monitoring operational standards for the Adviser's private equity platform. Although not hired as a solicitor, in the ordinary course of her job she would be expected to attend meetings with investors and prospective investors, including government entities, to discuss private equity operations. She is a covered associate because she is an executive officer and because she supervises individuals who may participate in solicitation meetings. After learning of the Contribution, the Adviser took steps to limit the Contributor's contact with any representative of the Client for the remainder of the two-year period beginning July 23, 2021. The Adviser informed the Contributor that she could have no contact with any representative of the Client. However, she may solicit other government entities in the course of her duties, at which point the two-year lookback would apply and a compensation ban would begin.

Timing and Amount of the Contribution. As noted above, the Adviser has had investments from the Client that predate the Contributor's employment with the Adviser. The Contribution was consistent with the political affiliation of the Contributor and her history of contributions.

Nature of the Election and Other Facts and Circumstances. The nature of the election and other facts and circumstances indicate that the Contributor's apparent intent in making the Contribution was not to influence the selection or retention of the Adviser. The Contributor has a long history of backing candidates that share the political views of the Recipient by voting for them and contributing to their campaigns. The amount of the Contribution, profile of the candidate,

and characteristics of the campaign fall squarely within the pattern of the Contributor's political leanings. The Contributor also had a legitimate interest in the outcome of the campaign given that she lives in Boston.

The Contributor's action in making a contribution that would trigger a ban if she solicits a government entity resulted from her lack of knowledge about the Rule's look-back provisions and, thus, her failure to appreciate the fact that the Contribution might impact potential future activities for an investment advisory firm that might employ her in the future. The Contributor never spoke with the Recipient or anyone else about the authority of the mayor over investment decisions. The Contributor was not affiliated with the Adviser at the time of the Contribution and, in any event, never mentioned the Client, its relationship to the Adviser, or any other existing or prospective investors to the Recipient. Indeed, she had no intention of soliciting investment advisory business from the Client or any other government entity of which Janey was an official. The Contributor never told any prospective or existing investor (including the Client) or any relationship manager at the Adviser about the Contribution.

Given the difficulty of proving a *quid pro quo* arrangement, the Applicant understands that adoption of a regulatory regime with a default of strict liability, like the Rule, is necessary. However, it appreciates the availability of exemptive relief at the Commission's discretion where imposition of the two-year prohibition on compensation does not achieve the Rule's purposes or would result in consequences disproportionate to the mistake that was made. The Applicant respectfully submits that such is the case with the Contribution. Neither the Adviser nor the Contributor sought to interfere with the Client's merit-based selection process for advisory services, nor did they seek to negotiate higher fees or greater ancillary benefits than would be achieved in arms' length transactions. There was no violation of the Adviser's fiduciary duty to deal fairly or disclose material conflicts given the absence of any intent or action by the Adviser or Contributor to influence the selection process. The Applicant has no reason to believe the Contribution undermined the integrity of the market for advisory services or resulted in a violation of the public trust in the process for awarding contracts.

V. PRECEDENT

The Applicant notes that the Commission granted an exemption similar to that requested from Rule 206(4)-5(a)(1) pursuant to Section 206A of Act and Rule 206(4)-5(e) in Davidson

Kempner Capital Management LLC, Investment Advisers Act Release Nos. lA-3693 (October 17, 2013) (notice) and IA-3715 (November 13, 2013) (order) (the "Davidson Kempner Application"). The Commission also granted an exemption to Angelo, Gordon & Co., LP, Investment Advisers Release Nos. IA-4418 (June 10, 2016)(notice) and IA-4444 (July 6, 2016)(order) (the "Angelo Gordon Application"), among others. The facts and representations made in this Application are, in many respects, similar to the applications the SEC has previously granted; in particular the Davidson Kempner Application and the Angelo Gordon Application. However, the Applicant believes that there are also key differences between this Application and the Davidson Kempner and Angelo Gordon Applications that further weigh in favor of granting the exemption requested herein.

Interactions with the Recipient. In the Davidson Kempner Application, the contributor's contact with the Ohio State Treasurer (the "Davidson Kempner Official") concerning campaign contributions included a lunch meeting, a brief exchange of e-mails later that same afternoon, and possibly a subsequent phone call confirming the contributor's intent to contribute. In contrast, the Contributor in this Application had only a single conversation with the Recipient. Moreover, this conversation took place more than six months before the Contributor joined the Adviser.

Knowledge of the Contribution. In the Davidson Kempner Application, the contributor informed the applicant's executive managing member of his interest in the Davidson Kempner Official and intention to meet with the Davidson Kempner Official. In contrast, the Contributor in this Application was not employed by the Applicant at the time of the Contribution, nor had she participated in serious discussion about possible employment with the Applicant. None of the Applicant's officers or employees, other than the Contributor, had any knowledge that the Contribution had been made until its discovery by the Adviser's compliance team as part of the Adviser's new-hire vetting process. In this regard, it is similar to the Angelo Gordon Application.

Status of the Contributor. In the Davidson Kempner Application, the contributor had made substantive presentations regarding investment strategy to representatives of the relevant clients after making the contribution. In contrast, the Contributor in this Application has not had any contact with the Client. As with the Angelo Gordon Application, the Application involves a Contributor who was not employed by an investment adviser at the time of the Contribution.

However, unlike the Angelo Gordon Application, the Adviser here identified the potential issues under the Rule before hiring the Contributor and had the Contributor obtain a refund before beginning employment.

Nature of the Election and Other Facts and Circumstances. In the Davidson Kempner Application, the contribution was made to the incumbent State Treasurer of Ohio who, at the time, was campaigning for a U.S. Senate seat. Mr. Mandel lost the federal election and, therefore, retained his post as Treasurer. Accordingly, throughout the two-year period after the contribution, Mr. Mandel was in a position to potentially influence the outcome of the hiring of an investment adviser by the relevant government entities. In contrast, the Contribution in this Application was made to the acting mayor's unsuccessful campaign for election to a full term. By the time the Contributor began work with the Adviser, the Recipient had already become a private citizen and lost the ability to appoint individuals who may influence decisions made by the Client.

Perhaps the most significant distinction from the Davidson Kempner Application, and similarity to the Angelo Gordon Application, is that the ban in this Application arises from the Rule's look-back provision. Rule 206(4)-5(b)(2). The Contributor was not a covered associate at the time of the Contribution. Though recognizing that the look-back provision is an important part of the Rule's prophylactic approach to pay-to-play regulation, the Applicant believes that the pay-to-play risk arising from contributions made prior to becoming a covered associate is less severe than for other contributions covered by the Rule. This belief is consistent with how Municipal Securities Rulemaking Board Rule G-37 has been applied. Although MSRB Rule G-37 is not binding precedent on the Commission, the Applicant submits that the rule and the precedent thereunder may be useful in considering the Application. The Financial Industry Regulatory Authority, which has the authority to grant exemptive relief to broker-dealers subject to MSRB Rule G-37, has granted numerous waivers from that rule's ban in look-back situations, whereas it has generally not granted relief to a broker-dealer for a contribution made by a person who was covered by the rule at the time of the contribution. See FINRA exemptive letters at http://www.finra.org/rules-guidance/guidance/exemptive-letters/. Furthermore, because that rule's look-back provision for employees who solicit covered business only applies to contributions to officials of a government entity the employee solicits, and the Contributor has

not solicited business from the Client, the Contribution would not even trigger a ban under Rule G-37.

The Applicant believes that the same policies and considerations that led the Commission to grant relief in the Davidson Kempner and Angelo Gordon Applications are present here. As in those instances, the imposition of the Rule would result in consequences vastly disproportionate to the amount of the contribution. Moreover, the differences between this Application and the Davidson Kempner and Angelo Gordon Applications weigh even further in favor of granting the relief requested herein.

VI. REQUEST FOR ORDER

The Applicant seeks an order pursuant to Section 206A of the Act, and Rule 206(4)-5(e) thereunder, exempting it, to the extent described herein, from the two-year prohibition on compensation required by Rule 206(4)-5(a)(1) under the Act, to permit the Applicant to receive compensation for investment advisory services provided to the Client within the two-year period following the Contribution identified herein to an official of such government entities by a covered associate of the Applicant.

Conditions. The Adviser agrees that any order of the Commission granting the requested relief will be subject to the following conditions:

(1) The Contributor will be prohibited from discussing any business of the Adviser with any "government entity" client or prospective client for which the Recipient is an "official" as defined in Rule 206(4)-5(f), until July 23, 2023.

(2) The Contributor will receive written notification of this condition and will provide a quarterly certification of compliance until July 23, 2023. Copies of the certifications will be maintained and preserved in an easily accessible place for a period of not less than five years, the first two years in an appropriate office of the Adviser, and be available for inspection by the staff of the Commission.

(3) The Adviser will conduct testing reasonably designed to prevent violations of the conditions of this Order and maintain records regarding such testing, which will be maintained and preserved in an easily accessible place for a period of not less than five years, the first two years

in an appropriate office of the Adviser, and be available for inspection by the staff of the Commission.

VII. CONCLUSION

For the foregoing reasons, the Applicant submits that the proposed exemptive relief, conducted subject to the representations set forth above, would be fair and reasonable, would not involve overreaching, and would be consistent with the general purposes of the Act.

VIII. PROCEDURAL MATTERS

Pursuant to Rule 0-4 of the rules and regulations under the Act, a form of proposed notice for the order of exemption requested by this Application is set forth as Exhibit A to this Application. In addition, a form of proposed order of exemption requested by this Application is set forth as Exhibit B to this Application.

On the basis of the foregoing, the Applicant submits that all the requirements contained in Rule 0-4 under the Act relating to the signing and filing of this Application have been complied with and that the Applicant, which has signed and filed this Application, is fully authorized to do so.

The Applicant requests that the Commission issue an order without a hearing pursuant to Rule 0-5 under the Act.

Dated: July 28, 2022

Respectfully submitted,

AEW Capital Management, L.P.

By: Carrie A. Bellerby

Carrie Bellerby
Co-General Counsel

Exhibit Index

Exhibit A

Authorization

All requirements of the Partnership Agreement of AEW Capital Management, L.P., have been complied with in connection with the execution and filing of this Application. AEW Capital Management, L.P., by duly executed resolutions as of September 1, 2021 (and attached to this Authorization), has authorized the making of this Application. Such resolutions continue to be in force and have not been revoked through the date hereof.

AEW Capital Management, L.P., has caused the undersigned to sign this Application on its behalf in Boston, Massachusetts on this 28th day of July, 2022.

AEW Capital Management, L.P.

Carrie Bellerby
Managing Director, Co-General Counsel, and
Chief Compliance Officer

Dated: July 28, 2022

Subscribed and sworn to before me a Notary Public this 28th day of July, 2022.

Jenni Fernandez
Notary Public for the Commonwealth of Massachusetts
My commission expires April 27, 2023

[OFFICIAL SEAL]

JENNI FERNANDEZ
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
April 27, 2023

AEW CAPITAL MANAGEMENT, INC.

Unanimous Written Consent of the Board of Directors

September 1, 2021

The undersigned, being all of the members of the Board of Directors of AEW Capital Management, Inc., a Massachusetts corporation (the "Corporation") with a principal place of business of Two Seaport Lane, 15th Floor, Boston, Massachusetts, and acting in accordance with Section 59 of Chapter 156B of the General Laws of the Commonwealth of Massachusetts, hereby adopt, consent to, ratify and affirm the following votes as of the date referenced above:

WHEREAS, the Corporation is the general partner of AEW Capital Management, L.P., a Delaware limited partnership ("AEW"); and

Authorized Signatories of the Corporation and AEW

WHEREAS, the Corporation, on behalf of AEW, has previously authorized employees of AEW holding the honorific title of "Managing Director" or "Director" or its equivalent to execute and deliver any and all documents, instruments and agreements on behalf of AEW; and

WHEREAS, the Corporation, on behalf of AEW, desires to authorize employees of AEW acting in the capacity of Portfolio Manager or Assistant Portfolio Manager for any account or fund which AEW acts as investment manager, to execute and deliver any and all documents, instruments and agreements on behalf of AEW.

NOW THEREFORE, it is

VOTED: That the Board of Directors, on behalf of the Corporation, acting in its capacity as the general partner of AEW, hereby authorizes any employee of AEW acting in the capacity of Portfolio Manager or Assistant Portfolio Manager for any account or fund which AEW acts as investment manager to execute and deliver any and all documents, instruments and agreements on behalf of AEW; and

VOTED: That third parties dealing with the Corporation or with AEW may rely on a certification of the Clerk or Assistant Clerk of the Corporation as to the identity of such employees who hold the honorific title "Managing Director" or "Director" or its equivalent or who act in the capacity of Portfolio Manager or Assistant Portfolio Manager for any account or fund which AEW acts as investment manager; and

VOTED: That each and every action taken by any Managing Director, Director, Portfolio Manager or Assistant Portfolio Manager of AEW prior to the date and adoption of the foregoing resolutions which would have been authorized by the foregoing resolutions but for the fact that such actions were taken prior to such date, be, and each hereby is, ratified, confirmed and adopted; and

Election of New Officers and Ratification of Current Officers

WHEREAS, the Corporation, on behalf of AEW, desires to confirm and ratify the current officers of the Corporation and to elect certain officers of the Corporation identified below, all in accordance with the authority set forth in Section 4 of the By-Laws of the Corporation.

NOW THEREFORE, it is

VOTED: To elect Michael P. Byrne to the office of Vice President of the Corporation, to hold such title until his earlier resignation, removal or death, and, in such capacity, is authorized to sign documents executed on behalf of the Corporation; and

VOTED: To elect Neal K. Sharma to the office of Assistant Clerk of the Corporation, to hold such title until his earlier resignation, removal or death, and, in such capacity, is authorized to sign documents executed on behalf of the Corporation; and

VOTED: To accept the resignation of Carrie A. Bellerby as Assistant Clerk of the Corporation and to elect Carrie A. Bellerby to the office of Clerk of the Corporation, to hold such title until her earlier resignation, removal or death, and, in such capacity, is authorized to sign documents executed on behalf of the Corporation; and

VOTED: That the persons listed on Exhibit A attached hereto are hereby ratified and approved as holding the office or offices set forth opposite his or her respective name and that all actions taken on behalf of the Corporation by all officers listed on Exhibit A prior to the date hereto be and they hereby are consented to, affirmed and ratified.

VOTED: That this Unanimous Written Consent of the Board of Directors be filed with the minute book of the Corporation.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have duly executed this Unanimous Written Consent as of the date first set forth above.

Jeffrey D. Furber
Director

David Giunta
Director

Timothy F. Ryan
Director

IN WITNESS WHEREOF, the undersigned have duly executed this Unanimous Written Consent as of the date first set forth above.

_____
Jeffrey D. Furber
Director

David L. Giunta
_____
David Giunta
Director

_____
Timothy F. Ryan
Director

Exhibit A

Carrie A. Bellerby	Clerk
Seth E. Berger	Treasurer
Michael P. Byrne	Vice President
Marc L. Davidson	Vice President
James J. Finnegan	Vice President and Clerk
Jeffrey D. Furber	President
Pamela Herbst	Vice President
Jonathan E. Martin	Assistant Treasurer
Neal K. Sharma	Assistant Clerk

Exhibit C

Proposed Notice for the Order of Exemption

Agency: Securities and Exchange Commission (the **"SEC"** or **"Commission"**).

Action: Notice of Application for Exemption under the Investment Advisers Act of 1940 (the **"Advisers Act"**).

Applicant: AEW Capital Management, L.P. (the **"Adviser"** or **"Applicant"**).

Relevant Act Sections: Exemption requested under Section 206A of the Act, and Rule 206(4)-5(e) thereunder, from the provisions of Section 206(4) of the Act, and Rule 206(4)-5(a)(1) thereunder.

Summary of Application: Applicant requests that the Commission issue an order under section 206A of the Advisers Act and Rule 206(4)-5(e) exempting it from Rule 206(4)-5(a)(1) under the Advisers Act to permit Applicant to receive compensation for investment advisory services provided to government entities within the two-year period following a contribution by an individual who was subsequently hired and became a covered associate of Applicant to an official of such government entities.

Filing Dates: The application was filed on [DATE].

Hearing or Notification of Hearing: An Order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving Applicant with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on [DATE], and should be accompanied by proof of service on Applicant, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to rule 0-5 under the Advisers Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Commission's Secretary.

Addresses: Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, D.C. 20549-1090. Applicant, AEW Capital Management, L.P., c/o Carrie Bellerby, Two Seaport Lane, Boston, MA, 02210-2021.

For Further Information Contact: [CONTACT], or [CONTACT], [TITLE], at [PHONE NUMBER] (Division of Investment Management, Chief Counsel's Office).

Supplementary Information: The following is a summary of the application. The complete application may be obtained via the Commission's website either at http://www.sec.gov/rules/iareleases.shtml or by searching for the file number, or for an applicant using the Company name box, at http://www.sec.gov/search/search.htm, or by calling (202) 551-8090.

The Applicant's Representations:

1. AEW Capital Management, L.P. is registered with the Commission as an investment adviser under the Advisers Act. The Applicant provides discretionary investment advisory services relating to direct and indirect investments in real estate and real estate related services including providing discretionary investment advisory services to private funds (the **"Funds"**).

2. An investor in the Funds is a public pension plan identified as a government entity, as defined in Rule 206(4)-5(f)(5)(ii), with respect to the City of Boston (the **"Client"**). The investment decisions for the Client, including the hiring of an investment adviser, are overseen by a five-member board, with two mayoral appointments (one member appointed directly to the board and the city auditor who serves on the board in an ex officio capacity).

3. Lauren O'Neill Goff (the **"Contributor"**) was offered employment by the Adviser on October 26, 2021 to serve as chief operating officer of the Adviser's private equity group. The COO role for which she was hired includes overseeing the Adviser's asset management and reporting and finance teams, and evaluating, establishing and monitoring operational standards for the Adviser's private equity platform. Although she was not hired to be a marketer, her role would ordinarily require attending diligence meetings with current and prospective investors and participating in efforts to increase and maintain capital commitments to the Adviser's Funds.

4. Prior to such employment offer, on July 23, 2021, the Contributor contributed $1,000 to the campaign of Kim Janey (the **"Official"** or **"Recipient"**), a Boston city council member who was acting mayor of Boston and running for re-election as mayor (the **"Contribution"**). The Applicant represents that the Contributor did not solicit any persons to make contributions to the Official's campaign or coordinate any such contributions, and made no other contributions to the Official.

5. The Applicant represents that the Contributor made the Contribution because the Contributor had a legitimate personal interest in the outcome of the campaign and genuinely believed that the Recipient would promote more favorable pro-development policies for Boston. The Contribution, profile of the candidate and characteristics of the campaign fall squarely within the historical pattern of the Contributor's other political leanings. Moreover, the Contributor was excited to support Boston's first female minority mayor. In their brief interaction, there was no mention of the Client, its relationship to the Adviser – with whom the Contributor was not affiliated – or any other existing or prospective investors. There also was no discussion of the Recipient's potential appointment powers, influence or responsibilities involving the investment of city assets or public pension funds.

6. The Applicant represents that the Contributor has never presented for, or met with, any of the Client's representatives over the course of the relationship. The Client has been an investor in Adviser's Funds since 2006, with additional investments having come in 2017 and April 2020.

7. The Applicant represents that the Contribution was discovered by the Adviser's compliance department in late October 2021 in the course of prospective employee vetting that included review of a pre-hire political contribution declaration on which the Contributor disclosed the Contribution. The Adviser informed the Contributor that she would need to seek a refund, which she did in November 2021. The Contribution was refunded by the campaign on December 23, 2021.

8. The Applicant represents that the Adviser determined that although the Contributor would be an executive officer, and thus a covered associate under Rule 206(4)-5, she is currently only subject to the 6-month lookback in 17 CFR § 275.206(4)-5(b)(2). The Contributor did not become a covered associate until more than six months had elapsed since the date of the contribution. However, the Contributor's role would ordinarily involve soliciting government entities. She is refraining from such solicitation, but in the event she were to solicit a government entity, the full two-year lookback would apply and trigger a ban. At that point, the portion of management fees and carried interest attributable to the Client's investments in the Funds from the date the Contributor became a covered associate until two years after the date of the contribution would be held by the Funds or placed in escrow and not distributed to the Adviser.

9. The Applicant represents that the Adviser's Pay-to-Play Policies and Procedures (the **"Policy"**) were adopted and implemented before the Contribution was made. The Policy was adopted even before the proposal of Rule 206(4)-5 to address state pay-to-play laws, but was revised to align with Rule 206(4)-5 in 2010. When hiring an individual, the Adviser makes its job offer conditional on the individual disclosing any political contributions within the past two years. If any contributions are reported, the Adviser's human resources team will escalate to the legal and compliance team for review and action. At no time did any employees of the Adviser other than the Contributor have any knowledge that the Contribution had been made prior to its discovery by the Adviser in October 2021 as a result of its routine prospective employee onboarding procedures.

The Applicant's Legal Analysis:

1. Rule 206(4)-5(a)(1) under the Act prohibits a registered investment adviser from providing investment advisory services for compensation to a government entity within two years after a contribution to an official of the government entity is made by the investment adviser or any covered associate of the investment adviser. The "[R]ule's intended purpose" is to combat *quid pro quo* arrangements involving investment advisers making contributions in order to influence a government official's decision regarding advisory business with the advisor.

2. Rule 206(4)-5(b) provides exceptions from the two-year prohibition under Rule 206(4)-5(a)(1) with respect to contributions that do not exceed a de minimis threshold, were made by a person more than six months before becoming a covered associate, or were discovered by the adviser and returned by the official within a specified period and subject to certain other conditions.

3. Section 206A and Rule 206(4)-5(e) permit the Commission to exempt an investment adviser from the prohibition under Rule 206(4)-5(a)(1) upon consideration of, among other factors, (i) Whether the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Advisers Act; (ii) Whether the investment adviser: (A) before the contribution resulting in the prohibition was made, adopted and implemented policies and procedures reasonably designed to prevent violations of the rule; and (B) prior to or at the time the contribution which resulted in such prohibition was made, had no actual knowledge of the contribution; and (C) after learning of the contribution: (1) has taken all available steps to cause the contributor involved in making the contribution which resulted in such prohibition to obtain a return of the contribution; and (2) has taken such other remedial or preventive measures as may be appropriate under the circumstances; (iii) Whether, at the time of the contribution, the contributor was a covered associate or otherwise an employee of the investment adviser, or was seeking such employment; (iv) The timing and amount of the contribution which resulted in the prohibition; (v) The nature of the election (e.g., federal, state or local); and (vi) The contributor's apparent intent or motive in making the contribution which resulted in the prohibition, as evidenced by the facts and circumstances surrounding such contribution.

4. The Applicant requests an order pursuant to section 206A and Rule 206(4)-5(e), exempting it from the two-year prohibition on compensation imposed by Rule 206(4)-5(a)(1) with respect to investment advisory services provided to the Clients following the Contribution. The Applicant asserts that the exemption sought is necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Advisers Act.

5. The Applicant maintains the facts that the Contributor has a long history of backing candidates that share the political views of the Recipient by voting for them and contributing to their campaigns, the amount of the Contribution, profile of the candidate, and characteristics of the campaign fall squarely within the pattern of the Contributor's political leanings. The Contributor also had a legitimate interest in the outcome of the campaign given that she lives in Boston

6. The Applicant submits that the Client's decisions to invest with the Applicant and/or to establish advisory relationships have been made on an arm's length basis free from any improper influence as a result of the Contribution. In support of that conclusion, Applicant notes that the Client's decisions to invest in Adviser's Funds substantially predate the Contributor's employment with the Adviser and the Recipient's becoming a covered official. Applicant also notes that although the Recipient's office had the legal authority to appoint two fifths of the Client's board, she did not actually appoint anyone during her limited service as mayor.

7. The Applicant maintains that given the nature of the Contribution, and the lack of any evidence that the Adviser or the Contributor intended to, or actually did, interfere with the Client's merit-based process for the selection or retention of advisory services, the interests of the Client are best served by allowing the Adviser and the Client to continue their relationship uninterrupted.

8. The Applicant respectfully submits that causing the Applicant to serve without compensation for the remainder of the two year period could result in a financial loss that is more than 600 times the amount of the Contribution. The policy underlying Rule 206(4)-5 is served by ensuring that no improper influence is exercised over investment decisions by governmental entities as a result of campaign contributions and not by withholding compensation as a result of unintentional violations.

9. Applicant further submits that the other factors set forth in Rule 206(4)-5(e) similarly weigh in favor of granting an exemption to the Applicant to avoid consequences disproportionate to the violation.

10. Accordingly, the Applicant respectfully submits that an exemption from the two-year prohibition on compensation is necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

The Applicant's Conditions:

The Applicant agrees that any order of the Commission granting the requested relief will be subject to the following conditions:

1. The Contributor will be prohibited from discussing any business of the Adviser with any "government entity" client or prospective client for which the Recipient is an "official" as defined in Rule 206(4)-5(f), until July 23, 2023.

2. The Contributor will receive written notification of this condition and will provide a quarterly certification of compliance until July 23, 2023. Copies of the certifications will be maintained and preserved in an easily accessible place for a period of not less than five years, the first two years in an appropriate office of the Adviser, and be available for inspection by the staff of the Commission.

3. The Adviser will conduct testing reasonably designed to prevent violations of the conditions of this Order and maintain records regarding such testing, which will be maintained and preserved in an easily accessible place for a period of not less than five years, the first two years in an appropriate office of the Adviser, and be available for inspection by the staff of the Commission.

For the Commission, by the Division of Investment Management, under delegated authority.

_____

Secretary[or other signatory]

Exhibit D

Proposed Order of Exemption

AEW Capital Management, L.P., (the "Adviser" or the "Applicant") filed an application on [Date] pursuant to section 206A of the Investment Advisers Act of 1940 (the "Act") and Rule 206(4)-5(e) thereunder. The application requested an order granting an exemption from the provisions of section 206(4) of the Act, and Rule 206(4)-5(a)(1) thereunder, to permit the Applicant to provide investment advisory services for compensation to a government entity within the two-year period following a specified contribution to an official of such government entity by a covered associate of the Applicant. The order applies only to the Applicant's provision of investment advisory services for compensation which would otherwise be prohibited with respect to the government entity as a result of the contribution identified in the application.

A notice of filing of the application was issued on [Date] (Investment Advisers Act Release No. [insert number]). The notice gave interested persons an opportunity to request a hearing and stated that an order disposing of the application would be issued unless a hearing should be ordered. No request for a hearing has been filed and the Commission has not ordered a hearing.

The matter has been considered and it is found, on the basis of the information set forth in the application, that granting the requested exemption is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Accordingly, IT IS ORDERED, pursuant to section 206A of the Act and Rule 206(4)-5(e) thereunder, that the application for exemption from section 206(4) of the Act, and Rule 206(4)-5(a)(1) thereunder, is hereby granted, effective forthwith.

For the Commission, by the Division of Investment Management, under delegated authority
By:_____