

**PARE PARTNERS LLC  
PARE PARTNERS II LLC**

**1450 BRICKELL AVENUE  
SUITE 1560  
MIAMI, FL 33131**

**MARCH 26, 2024**

This “**Brochure**” provides information about the qualifications and business practices of PARE Partners LLC and PARE Partners II LLC (hereinafter, collectively, “**PARE**”, “**we**”, “**us**”, “**our**” or the “**Advisers**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), Cecilia Rodríguez, by email at [crodriguez@peninsulainvestments.com](mailto:crodriguez@peninsulainvestments.com).

Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

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

**Item 2: Material Changes**

---

This brochure, dated March 26, 2024, serves as an update to our brochure dated July 6, 2023. There have been no material changes since our last Brochure other than to update Regulatory Assets Under Management in Item 4.

### **Item 3: Table of Contents**

---

Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	5
Item 6: Performance-Based Fees and Side-By-Side Management	7
Item 7: Types of Clients	9
Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss	10
Item 9: Disciplinary Information	25
Item 10: Other Financial Industry Activities and Affiliations	26
Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading	27
Item 12: Brokerage Practices	30
Item 13: Review of Accounts	31
Item 14: Client Referrals and Other Compensation	32
Item 15: Custody	33
Item 16: Investment Discretion	34
Item 17: Voting Client Securities	35
Item 18: Financial Information	36

#### Item 4: Advisory Business

---

PARE Partners LLC and PARE Partners II LLC are both organized as Delaware limited liability companies.

The Advisers are operating as an integrated business and therefore are seeking registration with the Securities and Exchange Commission as the Advisers, collectively, managed regulatory assets under management in excess of \$150M. The Advisers are under common control and share the same Related Persons.

The Advisers are primarily owned by Juan Fernando Valdivieso and Josef Preschel. The Advisers' principal place of business is located in Miami, FL.

The Advisers currently provides discretionary investment advisory services to private pooled investment vehicles (each a "**Fund**," and collectively, the "**Funds**") private co-investment vehicles, ("**Co-Invest Vehicles**"), and, potentially in the future, separately managed accounts (collectively with the Funds and the Co-Invest Vehicles, the "**Clients**"). Investors in the Funds and the Co-Invest Vehicles are referred herein as "**Investors**," or "**Limited Partners**." Where the context so requires, references to the Funds also includes Co-Invest Vehicles. Co-Invest Vehicles include vehicles established for individual or multiple investors seeking exposure to single or multiple investments, as well as vehicles where the Advisers have varying levels of investment discretion.

The Funds are exempt from registration under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**") and issue securities that will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**").

Each Fund's manager, general partner, or equivalent (each, a "**Manager**", and collectively, together with any future affiliated entities, the "**Managers**") has the power and authority to delegate the management of the respective Fund(s) to the Advisers, each of which is an affiliate of each Manager. Each Manager is subject to the Investment Advisers Act of 1940 (the "**Advisers Act**") pursuant to the Advisers' registration in accordance with SEC staff guidance. All references to the Advisers include each Manager.

The Advisers manage the assets of each Fund in accordance with the terms of each Fund's private placement memorandum, limited partnership agreements and other governing documents (collectively, "**Governing Documents**").

The Advisers do not currently participate in any Wrap Fee Programs.

Regulatory assets under management as of December 31, 2023, were approximately \$190.5M.

## Item 5: Fees and Compensation

---

The fees applicable to each of the Funds are set forth in detail in the corresponding Governing Documents. A brief summary of such fees is provided below.

### ***Organizational and Offering Expenses***

Organizational and offering expenses (the “**Organizational Expenses**”) include, with respect to any fiscal year of the Fund, all Fund’s expenses and other out-of-pocket expenses for such fiscal year that are attributable to the organization and formation of the respective Fund, the respective general partner, any feeder fund or Co-Invest Vehicle and the sale of interests in such Fund or feeder fund to potential Limited Partners; including, without limitation, legal and accounting fees and expenses (whether from internal or outside counsel), printing costs, filing fees, and the transportation, meal and lodging expenses of the personnel of the respective general partner and the investment manager, but excluding any placement fees. Generally, upon completion of the Funds’ initial drawdown, the Funds shall reimburse the investment manager, general partner and affiliates for all Organizational Expenses incurred by any of them as of the initial drawdown. Thereafter, the Funds shall reimburse the investment manager, general partner and affiliates for all further Organizational Expenses incurred (if any) as soon as reasonably practicable. In addition, the Funds may be subject to an expense cap as set forth in the respective Fund’s Governing Documents.

### ***Operational Expenses***

The Funds shall be responsible for all ordinary day-to-day expenses incidental to its operation and administration (the “**Operational Expenses**”); including, but not limited to: all costs and expenses of the Fund attributable to maintaining the Fund, the respective general partner, the portfolio companies and other legal entities established to facilitate the Fund’s investment strategy in good standing under the laws in which such entities were incorporated, formed, established or created, as the case may be, including, but not limited to, appraising and valuing, acquiring, maintaining, financing, hedging and disposing of real estate investments and portfolio companies, including broken deal expenses (to the extent not paid for or reimbursed by portfolio companies), including, without limitation, taxes (including but not limited to any local non-income taxes), fees, levies, excises, and other governmental charges levied against the Fund (other than those taxes specifically allocable to one or more Investors or partners of the Fund); insurance to protect the Funds, the respective general partners, a service provider, or the partners, members, shareholders, officers, directors or employees of the foregoing in connection with the activities of the Fund, and members of the respective advisory committee and investment committee (including, without limiting to, directors and officers insurance); administrative and research fees; expenses of custodians, outside advisors, outside and in-house counsel (including Funds and the general partners counsel), accountants, auditors, administrators and other consultants and professionals; expenses associated with forming and operating Co-Invest Vehicles and other holding vehicles related to a real estate investment (which, in the event the respective general partner understand it appropriate, shall include operating expenses of feeder funds); technological expenses (including, without limiting to, Juniper, CoStar and NIC Vision); interest on and fees, costs and expenses arising out of all financings entered into by the Fund (including, without limitation, those of lenders, investment banks, and other financing sources); travel expenses; commissions, advisory or brokerage fees or similar charges incurred in connection with the investment or disposition of projects; custodial expenses; all expenses relating to litigation and threatened litigation involving the Funds, including indemnification expenses properly arising in connection with the indemnification provisions in the Fund’s Governing Documents (including

the amount of any judgments or settlements paid in connection therewith); winding up and liquidation expenses; expenses incurred in connection with the investigation, prosecution, defense, settlement, or review of any claims by or against the Funds, including claims by or against a governmental authority; expenses incurred in connection with any tax audit; the costs of any services provided by the respective general partner or its affiliates in accordance with the respective Governing Document; expenses (if any) associated with meetings of the advisory committee and the Limited Partners and other investors; the preparation and distribution of reports, financial statements, tax returns and K-1s to the Limited Partners (amounts that could be, at the discretion of the respective general partner, allocated only among those Limited Partners that benefit from specific reports, tax returns, K-1s and/or other similar documents); indemnification and other unreimbursed expenses; costs of any development services provided by an affiliate of the respective general partner relating to a real estate investment held by a portfolio company (as set forth in the respective Governing Documents); expenses the respective general partner incurs in serving as the Fund's representative; expenses relating to a defaulting partner; registration, filing, compliance, reporting, depository, commercial banking, accounting, appraisal, legal, custodial, or administrative fees and expenses incurred for services provided to the respective Fund, including in each case services with respect to the prospective or actual investment or sale of securities by the respective Fund and to allow the Fund, the respective general partner, or their affiliates to comply with non-U.S., U.S. federal, local and state laws and regulations, including their compliance with the requirements of the "Alternative Investment Fund Managers Directive" or any secondary legislation or guidance related thereto, and not otherwise reimbursed; out-of-pocket fees and expenses related to regulatory compliance and costs and expenses incurred in connection with government and regulatory filings required to be made in respect of the Fund; fees (if any) and expenses of members of the respective investment committee in accordance with the respective Governing Documents (including travel-related costs and expenses provided, however, that only air travel in economy (coach) class shall be reimbursable, except that air travel in business class shall be reimbursed in the case of flights longer than five (5) hours)); the costs and expenses (including travel-related expenses) of hosting annual or special meetings for the partners of the Funds; the fees of any agents appointed or elected by the respective general partner to act as agents of the Funds and/or as third party director(s) of the Fund's investment(s); expenses related to technical real estate services (i.e. third party advisors, such as those retained to perform specific parts of due diligence processes of specific transactions, attorneys, engineers, architects and others, as well as the costs related to technical supervisory work performed by third parties) and for due diligence and travel expenses incurred by the investment manager; all other expenses properly chargeable to the activities of the Funds, including but not limited to the purchase, holding and sale of real estate investments; and any extraordinary expenses to the extent not reimbursed or paid by insurance.

### ***Fund Expenses***

The Funds shall be responsible for all costs, fees, expenses and liabilities in connection with the operations, including Organizational Expenses of the Funds (including fees for registration services), Operational Expenses and the respective Management Fee (as defined below).

### ***Investment Manager Expenses***

The investment manager will pay for all Management Expenses to conduct activities as set forth in the Governing Documents.

"Management Expenses" shall mean the costs and expenses incurred by the investment manager in providing for its normal operating overheads, including, but not limited to, compensation of its employees

and the cost of providing relevant support and general services (e.g., office rental, secretarial, clerical, and internal bookkeeping expenses) and any placement fees, but not including any Fund Expenses.

***Management Fee***

PARE, or an affiliate of PARE, is compensated for certain asset management services through the payment of a management fee pursuant to each Fund's Governing Documents (the "**Management Fee**"). The Management Fee will typically range from 1% to 2%. The Advisers, in their sole discretion, may waive or modify the Management Fee for any Investor; provided, however, that any Management Fee discount shall be agreed upon by separate agreement. In certain circumstances, PARE or an affiliate of PARE may receive additional compensation, as set forth in the respective Fund's Governing Documents.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

---

We and our affiliates are entitled to a performance-based compensation. It should be noted that the possibility of the Advisers', General Partner's or Manager's receipt of performance-based compensation can create a potential conflict of interest in that it could be viewed as an incentive to make riskier or more speculative investments than in the absence of such performance-based fee. However, this incentive is mitigated by the fact that losses will reduce a Fund's performance, and thus, the Advisers', General Partner's, or Manager's compensation. Investors are provided with clear disclosure in the Governing Documents as to how the performance-based compensation is charged. The Advisers are of the view that the compensation structure is in line with industry standards. With respect to certain Funds, the Advisers may be subject to receive additional compensation as further detailed in the Fund's Governing Documents.

Further, the Advisers have adopted policies and procedures that, among other things, seek to ensure in good faith that investment opportunities are allocated fairly and equitably over time among Clients, and the process for identifying and managing conflicts of interest are addressed in the applicable Client's Governing Documents.



## **Item 7: Types of Clients**

---

As described in Item 4 above, the Advisers provide investment advice to the Funds which are exempt from registration as an investment company under the Investment Company Act, and whose interests are not registered under the Securities Act. Investors in the Funds include institutions, sovereign wealth funds, pension funds, endowments, foundations, family offices, health systems, consultants, private wealth platforms, insurance companies, high net-worth individuals, trusts, funds of funds, and other sophisticated investors that meet certain qualification requirements. The Funds generally have a minimum investment amount as further described in the respective Fund's Governing Documents for third-party Investors, and the Funds' interests are offered and sold solely to qualified purchasers.

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

---

As a general matter, the Advisers utilize the methods of analysis and investment strategies described in the Funds' Governing Documents. The information contained herein is a summary only and Investors should refer to and carefully review the Governing Documents for a complete overview of the Advisers' method of analysis and investment strategies.

### ***Investment Objective***

PARE focuses on investing in opportunities in niche-oriented real estate asset classes. The strategy is to partner with selected multifamily, senior and/or student housing developers to construct purpose-built quality housing complexes in selected markets across the United States. In addition to this vertical, the Advisers and their affiliates have developed additional investment verticals including Peninsula LatAm Developments Funds ("PLDF"). PLDF mainly focuses on investments in middle income for-sale residential and mixed-use developments across selected markets in Latin America in partnership with local and experienced developers.

### ***Certain Risk Factors***

*Investors should be aware that an investment in a fund involves a high degree of risk. There can be no assurance that the investment objectives will be achieved, or that the Investor will receive a return of its capital. In addition, there will be occasions when the Managers may encounter potential conflicts of interest in connection with the Funds. The following considerations, among others, should be carefully evaluated before making an investment in the Funds.*

### **Risks Related to Real Estate Investments and Business of the Funds**

- **General Real Estate Risks.** The Funds' investments will be subject to the risks associated with the ownership of real estate, and in general and, to the extent the investments are leveraged, the risks incident to borrowing funds, including risks associated with changes in the general economic climate, changes in the overall real estate market, and local real estate conditions. These types of underlying interests are typically illiquid. Deterioration of real estate fundamentals may negatively impact the performance of such portfolio investments. Such changes in fundamentals could involve fluctuations as a result of general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in environmental and zoning laws, casualty or condemnation losses, environmental liability, regulatory limitations on rents, changes in neighborhood values, changes in the appeal of properties to tenants, the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, the financial condition of tenants, buyers and sellers of properties, supply of or demand for competing properties in an area, technological innovations that dramatically alter space requirements and demand, the availability of financing, changes in interest rates, competition based on rental rates, energy and supply shortages, various uninsured, uninsurable risks and government regulations, potential liability under changing environmental laws, acts of God, natural disasters, increase in interest rates and other factors that are beyond control.

Additionally, the Funds may invest in assets in jurisdictions where indigenous rights (e.g., with respect to tribes or other dispossessed people/communities) to land exist. While the Funds will generally conduct due diligence in such jurisdictions to determine the extent to which they may be affected by such rights, it may not be possible to mitigate against or remove a risk associated with indigenous claims. Additionally, any declaration of title in respect of government protected land on which infrastructure assets are located may negatively affect the operation of those businesses.

- *Economic Risks.* The Funds are exposed to the general economic conditions and the local, regional and national conditions that affect the markets in which they own properties. The Funds' operating performance is further impacted by the economic conditions of the particular markets in which they have a concentration of properties. Any material oversupply of properties similar to those owned by the Funds or a material reduction of demand for such properties in markets involving similar types of use and/or customer base could adversely affect the Funds' financial condition.

- *Disruption Due to Catastrophic Events.* The success of the Funds could be significantly impacted by catastrophic events around the world. Catastrophic events, such as fires, earthquakes, explosions, hurricanes, floods, severe storms, acts of God, pandemics (such as COVID-19) or other occurrences including climate change, terrorism or war, widespread power blackouts, as well as other events that are beyond the control of the Funds or the Advisers, could interrupt operations. If a major loss were to occur with respect to an investment, the Funds could lose the capital invested in such investment and any related anticipated profits.

- *Risks Related To Real Estate Ownership.* Real property investments are subject to varying degrees of risk. While the Managers will attempt to minimize the Funds' exposure to these risks through the diversification of their portfolio, market research and the Managers' investment management capabilities, these risks cannot be eliminated. The factors that can affect real estate values include:

- The attractiveness of the properties to potential buyers or renters;
- Competition from other available properties;
- The ability to provide adequate maintenance of, and insurance on, its properties;
- The ability to control variable operating costs; and
- Governmental regulations, including zoning, usage and tax laws, and changes in or potential liability under these and other laws.

- *Risks Associated with Acquisition of Properties.* The Funds will acquire real estate properties from time to time. The acquisition of properties involves risks, including the risk that the acquired property will not perform as anticipated and the risk that any actual costs for rehabilitation, repositioning, renovation and improvements identified in the pre-acquisition due diligence process will exceed estimates. There is, and it is expected that there will continue to be, significant competition for investment opportunities that meet the Funds' investment criteria as well as risks associated with obtaining financing for acquisition activities,

if necessary.

- *Risks Associated with Redevelopment and Repositioning Activities.* The Funds may acquire direct or indirect interests in real property that is underdeveloped or requires repositioning. To the extent the Funds invests in such assets, it will be subject to the risks normally associated with such assets and development activities, including risks relating to the availability and timely receipt of zoning, planning consents, licensing and other regulatory approvals, the cost and timely completion of construction (including risks beyond the reasonable control of the Advisers, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities. Properties acquired for redevelopment may receive little or no cash flow from the date of acquisition through the date of completion of redevelopment and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of redevelopment, which may make such redevelopment less attractive than at the time it was commenced.

- *Leasing Risk.* The Funds' results of operations, distributable cash flow and the value of its Interests would be adversely affected if a significant number of the tenants leasing the Funds' commercial and/or residential properties are unable to meet their lease obligations. In the event of default with respect to a significant number of properties, the Funds may experience delays and incur substantial costs in enforcing its rights as landlord. The Funds' performance would also be adversely affected if the Funds are unable to lease and re-lease, on economically favorable terms, a significant amount of space in their real estate properties. The number of real estate properties involving similar types of use and/or customer base in a market or sub-market could adversely affect both the Funds' ability to lease and lease-up the property and the rental rates that can be obtained in new leases where applicable.

- *Market Impact on the Operations of Tenants.* A downturn in the economy may impact the success of the operations of tenants. Some tenants may experience declining revenues, vacate the premises early, or file for bankruptcy. Any reduction in a tenant's ability to pay base rent, percentage rent or other charges, will adversely affect the Funds' financial condition. Further, the Funds' ability (or the respective developer's or property manager's ability) to re-lease vacant spaces or units may be negatively impacted by the then-current economic environment. The Funds may see an increase in vacancy that could have a negative impact on the Funds' returns.

- *Short-Term Investments.* The Funds may, at times, have excess funds or funds it is holding that may be invested in short-term investments pending the application thereof to real estate investments. The investment returns from these investments is likely to be lower than the investment returns from real estate investments.

- *Non-Controlling Investments; Investments with Third Parties.* The Funds may co-invest with third parties through joint ventures or other entities. Such investments may

involve risks in connection with such third-party involvement, including, for example, the risk that the outcomes of collaborative decision-making will vary adversely from those that the Managers and the Advisers would have reached themselves. In addition, a third-party co-venturer might become bankrupt or have other financial, legal or regulatory difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Funds or may be in a position to take (or block) action in a manner contrary to the Funds' investment objectives. If such co-venturer or partner defaults on its funding obligations, it may be difficult for the Funds to make up the shortfall. If the Funds are required to make additional contributions in respect of such shortfall, the diversification of the Funds' overall investments could be reduced. The Funds may in certain circumstances be liable for the actions of their third-party co-venturers. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements. In addition, in negotiating an investment through a joint venture or other similar arrangement, the Funds may have to agree to less favourable terms (e.g., bearing a disproportionate share of expenses) than might be present in a direct investment.

- *Illiquidity of Real Estate Investments.* Investments in real estate are highly illiquid and subject to industry cycles, downturns in demand, market disruptions and the lack of available capital from potential lenders or investors (whether to finance or refinance portfolio properties or for potential purchasers of such properties). Significant expenditures associated with real estate investments, such as mortgage payments, real estate taxes and maintenance costs, generally are not reduced in the event of a reduction or interruption in income from such investments. The Funds cannot give any assurance that cash flow from such investments will at all times be sufficient to provide for such expenditures.

- *Competition from other Real Estate Investors.* While the Funds have attempted to distinguish themselves from other opportunistic investors in the student, senior, and alternative real estate investment market, the Funds will encounter competition from numerous other real estate investment partnerships and trusts, as well as from individuals, corporations, bank and insurance company investment accounts, foreign investors and other entities engaged in real estate investment activities. Competition for investments may have the effect of increasing costs of investments, thereby reducing returns to the Funds. Certain of the Funds' competitors may have greater financial and other resources and better access to suitable investment opportunities. Whether or not suitable investment opportunities are available to the Funds, the Funds will bear the Management Fee and other Fund Expenses described herein.

- *The Funds May Hold Investments at the Date of their Termination.* The Funds may make or hold investments which may not be advantageously realized prior to the date on which the Funds will be dissolved either by the expiration of the Funds' term or otherwise. For example, the Funds may hold an interest in one or more properties that are still under construction or are otherwise not sold prior to the date on which the Funds will be dissolved, either by expiration of the Funds' term or otherwise, or to the extent of any debt investments, may hold outstanding loans with a maturity date later than such dissolution date. As a result, the Funds may have to sell, distribute or otherwise dispose of assets at a disadvantageous time

as a result of meeting the timing for dissolution. Further, investments distributed in-kind may be illiquid and there can be no assurance that any Limited Partner will be able to dispose of them at the value determined in accordance with the Governing Documents.

- *Insufficient Capital for Follow-On Investments.* Following an initial investment in a real estate asset, the Funds may have the opportunity to increase their investments or may be asked to provide additional funds to such real estate asset. The amount of additional investment needed will depend upon the circumstances of the particular investment. There is no assurance that the Funds will make follow-on investments or that the Funds will have sufficient resources to, or be permitted to, make such investments. Any decision not to make follow-on investments or the Funds' inability to make them may have a substantial negative impact on a real estate asset in need of such an investment, may result in missed opportunities for the Funds or may result in dilution of the Funds' investment. Further, there can be no assurance that the Managers and/or Advisers (as applicable) will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

- *Insurance Coverage May Not Cover All Losses.* The Funds (whether directly or indirectly through different portfolio companies) expect to maintain suitable comprehensive insurance coverage for each of their properties and business operations, in each case as appropriate for the markets in which such properties and business operations are located. The insurance coverage contains policy specifications and insured limits customarily carried for similar properties, business activities and markets. However, there are certain losses, including losses from floods, earthquakes, acts of war, acts of terrorism and riots, that generally are not insured against or that generally are not fully insured against because it is not deemed to be economically feasible or prudent to do so. If an uninsured loss or a loss in excess of insured limits occurs with respect to one or more of the Funds' properties, the Funds could experience a significant loss of capital invested in the properties as well as a loss of potential revenue from the properties and could potentially remain obligated under any recourse debt associated with the properties.

- *Litigation.* In the ordinary course of their business, the Funds may be subject to litigation from time to time both as a plaintiff and as a defendant. The expense of defending against claims made against the Funds, the Managers, the Advisers and/or their respective principals and affiliates by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Funds to the extent that (a) the Funds have not been able to protect themselves through indemnification or other rights against the investment entity, (b) the Funds are not entitled to such protections or (c) the investment entity is not solvent.

Litigation may also be commenced with respect to a property acquired by the Funds or their subsidiaries in relation to activities that took place prior to the Funds' acquisition of such property. In addition, at the time of disposition of an individual property, a potential buyer may claim that it should have been afforded the opportunity to purchase the asset or alternatively that such buyer should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosures made, if such buyer is passed over in favor of another as part of the Funds' efforts to maximize sale proceeds. Similarly, successful buyers may later sue the Funds under various damage theories, including those sounding in

tort, for losses associated with latent defects or other problems not uncovered in due diligence. The Funds may also be exposed to litigation resulting from the activities of tenants or their customers.

The outcome of any proceedings involving the Funds or their investments may materially adversely affect the Funds and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the Managers' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation. Under the Governing Documents, the Funds will generally be responsible for indemnifying the Managers, the Advisers and related parties for costs they may incur with respect to such litigation not covered by insurance.

- *Potential Environmental Liability.* Real property is subject to federal and state environmental laws, regulations and administrative rulings that, among other things, establish standards for the treatment, storage and disposal of solid and hazardous waste. Real property owners are subject to federal and state environmental laws that impose joint and several liability on past and present owners and users of real property for hazardous substance remediation and removal costs, often without regard to whether the owner or operator knew of, or was responsible for, the release or presence of such hazardous substances. Accordingly, there may be exposure to substantial risk of loss from environmental claims arising in respect of any property with undisclosed or unknown environmental problems or as to which inadequate reserves have been established. The Funds cannot give any assurance that such conditions do not exist or may not arise in the future, and the presence of such substances on the Funds' real estate investments could adversely affect its ability to sell such investments or to borrow using such investments as collateral.

- *Possibility of Future Terrorist Activity.* The properties in which the Funds invest may be located in or near major metropolitan areas of the United States. Such properties, or the areas in which they are located, could be subject to future acts of terrorism. In addition to the potential direct impact of any such future act, future terrorist attacks and the anticipation of any such attacks could have an adverse impact on the U.S. financial and insurance markets and economy. It is not possible to predict the severity of the effect that such future events would have on the U.S. financial and insurance markets and economy or the properties in which the Funds invest. These events may have a negative effect on the business and performance results of the properties in which the Funds invest, including by raising insurance premiums and deductibles and limiting available insurance coverage.

- *Cyber Security Breaches and Identity Theft.* Information and technology systems of the Managers, the Advisers, the Funds' investments and the Funds' other service providers may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, the Managers, the Advisers, the Funds, and/or a Fund's other service providers may have to make a significant investment to fix or replace them. The failure

of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Managers', the Advisers', the Funds', and/or another service provider's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Investors (and the beneficial owners of Investors). Such a failure could harm the Managers', the Advisers', the Funds', and/or a service provider's reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance.

- *Placement Agents.* The Funds may engage placement agents in connection with certain general financial advisory services and transaction-specific services. U.S.-based placement agents are registered broker-dealers under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and members of FINRA.

In consideration for its services to the Funds, placement agents will receive certain advisory and placement agent fees (including success fees based on each new equity commitment made to the Funds sourced by the placement agent) and reimbursement of certain expenses. Such compensation and reimbursement paid to the placement agents will be borne by the Funds.

Various potential and actual conflicts of interest may exist or arise due to such placement agent's contractual arrangement with the Managers and/or the Funds and the placement agents' business activities and relationships with other clients and funds not affiliated with the Funds. For example, the receipt of compensation by the placement agents may affect their recommendations as to the desirability of certain investments or Investors in the Funds. The placement agents may also act as placement agent or financial advisor for other fund sponsors, including in certain circumstances, those whose fund sponsors may pay placement fees on terms different than those paid by the Funds, all of which may influence the placement agents' decision to introduce prospective investors to the Funds.

In addition, from a regulatory perspective, various federal, state and local agencies have also been examining the role of placement agents, finders and other similar service providers, including investigations and requests for information, and in connection therewith, new and/or proposed rules and regulations in this arena may increase the possibility that the Funds and/or the Managers may be exposed to claims and/or actions that could require a Limited Partner to withdraw from the Funds. As a related matter, the Managers or the Funds may be required to provide certain information regarding some Limited Partners to regulatory agencies and bodies in order to comply with applicable laws and regulations including the U.S. Foreign Corrupt Practices Act. As a result, there can be no assurance that the use of placement agents will not have an adverse impact on the Managers or otherwise impede the Funds' ability to effectively achieve their investment objectives.

## **Risks Related to Investment Terms**

- *Operating History.* The success of the Funds will depend upon the skill and



management expertise of the Advisers and/or the Managers (as applicable) in selecting, managing and disposing of assets. The Funds also must establish and implement operating procedures and systems, and complete other tasks necessary to conduct their intended business activities. The performance and investment profile of other Clients advised by the Advisers should not be used as an indicator of the likely performance or investment profile of the Funds. Furthermore, there can be no assurance that the Funds, the Managers or the Advisers will achieve the Funds' investment objectives and targeted returns. Accordingly, prospective Investors should not construe the performance of earlier investments made by the Advisers or their affiliates on behalf of other Clients as providing any assurances regarding the future performance of the Funds.

- *Dependence on Key Personnel.* The employees of the Advisers, including members of the team responsible for managing the day-to-day activities of the Managers and the Funds, have substantial experience in developing, acquiring and managing real estate investments. However, such experience cannot be relied upon as an indicator of the ability of the Funds to achieve their objectives. Although many members of the Advisers' management teams will play an integral role in overseeing the Funds' activities, none will be solely dedicated to the Funds.

In addition, the Advisers have significant discretion as to the implementation of the Funds' asset acquisition and operating policies and strategies. Accordingly, the Advisers believe that their success will depend to a significant extent upon the efforts, experience, diligence, skill and network of business contacts of their executive officers and key personnel. The executive officers and key personnel of the Advisers will evaluate, negotiate, structure, close and monitor the Funds' real estate acquisitions, and their success will depend on their continued service. The departure of any of the executive officers or key personnel of the Advisers could have a material adverse effect on the Funds' performance. The ability of the Advisers to retain their management group or to attract suitable replacements should any members of the management group leave is dependent on the competitive nature of the employment market.

There is no assurance that the Advisers will remain in such capacity or that the Funds will continue to have access to the Advisers' principals and professionals. If a Fund's agreement with an Adviser is terminated and no suitable replacement is found to advise the Fund, the Fund may not be able to execute its business plan or investment strategy.

- *Due Diligence Risks.* The Advisers and/or the Managers (as applicable) intend to conduct due diligence with respect to each investment opportunity or other transaction they pursue. It is possible, however, that such due diligence process will not uncover all relevant facts, particularly with respect to any assets the Funds acquires from third parties. In such cases, the Advisers and/or Managers may be given limited access to information about the investment and will rely on information provided by the target of the investment. In addition, if investment opportunities are scarce, the process for selecting bidders is competitive or the timeframe in which the Funds are required to complete diligence is short, the Funds' ability to conduct a due diligence investigation may be limited, and it would be required to make investment decisions based upon a less thorough diligence process than would otherwise be

the case. Accordingly, investments and other transactions that initially appear to be viable may prove not to be over time, due to the limitations of the due diligence process or other factors.

- *No Assurance of Profitability and Failure to Meet Targeted Returns.* There can be no assurance that the Funds will be profitable or, if profitable, that any particular yield or rate of return will be obtained. The Funds' targeted returns are based upon the Advisers' projections of internal rates of return, which in turn are based upon projections of future growth rates of the Funds' investments and the applicable market, development and redevelopment and/or operating costs, and disposition timing and proceeds, all of which are inherently uncertain. The actual performance of the Funds' investments will differ from the projections of the Advisers and/or Managers and may differ materially. There can be no assurance that the actual internal rates of return achieved by the Funds will equal or exceed the targeted returns stated in any materials provided to prospective Investors. Prospective Investors should not rely on, nor has any prospective Investor been provided with, any business or investment projections relating to the Funds.

In addition, although current returns from investments may vary, prior to partial or complete disposition (which may not be until a number of years after the initial investment is made) there may not be a current return on any real estate investment. There can be no assurance that the Funds will achieve their investment or performance objectives, including the identification of suitable investment opportunities and the achievement of targeted returns, or that a Fund will be able to fully invest its capital commitments. The Funds may lose some or all of their invested capital, and prospective Investors should not subscribe for Interests unless they can readily bear the consequences of such loss.

- *Investors' Limited Rights and Dependence on the Managers and the Advisers.* All investment decisions for the Funds will be made by the Managers and/or the Advisers. Investors will not be able to make any investment or other decision on behalf of the Funds and will have no right to take part in the management of, or otherwise control, the business of the Funds. Accordingly, no investment should be made in the Funds unless the Investor is willing to entrust substantially all aspects of the administration and management of the Funds to the Managers and the Advisers, as applicable.

- *Risks relating to Partner Drawdowns.* Each Fund is entitled to draw down a Limited Partner's capital commitment during the Fund's investment period. However, this does not guarantee that a Limited Partner's commitment will be drawn down shortly after its subscription agreement is accepted by the Fund, or at any point during the investment period. Nonetheless, each Limited Partner is responsible for maintaining liquid assets sufficient to make capital contributions in the event its capital commitment is called for during the duration of the Fund. No Limited Partner has a right to receive any distributions from the Fund until its capital commitment has been drawn down (in whole or in part).

- *Failure to Fund Capital Commitments; Consequences of Default.* If an Investor fails to pay installments of its capital commitment when due, and the contributions made by non-

defaulting Investors are inadequate to cover the defaulted capital contribution, the Funds may be unable to meet their obligations when due. As a result, the Funds may be subjected to significant penalties that could have a material adverse effect on the returns of the Investors (including non-defaulting Investors). If an Investor defaults, it may be subject to various remedies as provided in the Governing Documents, including, without limitation, a reduction in its Interests, a forced sale of its Interests at a reduced value and preclusion from further investment in or sharing in the gains of the Funds. Unless the Managers elect to terminate a defaulting Limited Partner's unused capital commitment, the defaulting Limited Partner will continue to remain obligated to make capital contributions to a Fund, as required by its Manager, up to the full amount of such Limited Partner's unused capital commitment and will be allocated its full pro rata share of all fees or expenses based on its original capital commitment. A defaulting Limited Partner will not be permitted to participate in any vote or consent required of the Limited Partners. The Managers will have the right to cover shortfalls arising from the default of a Limited Partner in any manner the Managers deem appropriate, including by requiring additional capital contributions from non- defaulting Limited Partners subject to their capital commitment.

- *New Investors or Increased Investments.* New Investors as well as existing Investors who decide to increase their investment in a Fund will be required to fund their pro rata share of the cost of any partnership investments already made and expenses already incurred (including Organizational Expenses) together with interest on such amounts calculated at an annual rate of 8% or such other rate as the Fund's Manager may determine in its sole and absolute discretion. The actual value of such investments may not be accurately reflected by the Fund's cost and the related interest charge. Although the Manager has discretion to use a different valuation for such investments, Investors should be aware that any valuation may be inexact and not represent current fair market value.

- *Risks Related to Leverage.* The Funds will be subject to risks normally associated with debt financing, including the risk that the Funds' cash flow will be insufficient to meet required payments of principal and interest. There can be no assurance that the Funds will be able to refinance any maturing indebtedness, that such refinancing would be on terms as favorable as the terms of the maturing indebtedness, or that the Funds will otherwise be able to obtain funds by selling assets or raising equity to make required payments on maturing indebtedness. The Funds' ability to refinance any debt financing in a timely manner and at favorable terms is dependent on several factors including, but not limited to, general economic conditions, the Funds' credit ratings and interest rate levels. The Funds' borrowings also may bear interest at variable rates. Increases in interest rates would increase the Funds' interest expense under these borrowings.

- *In-Kind Distributions.* Under such circumstances as the Managers deem appropriate, the Limited Partners may receive in-kind distributions of portfolio positions, if permitted by law and the applicable Governing Documents. The investments distributed in-kind will be valued by the Managers at what they deem to be their fair market value, and this valuation will be conclusive for various purposes, including for the calculation of any carried interest owed.

- *Potential Restrictive Covenants.* The Funds also may enter into various credit agreements or other indebtedness to fund their operations on a short-term basis. These credit agreements or other indebtedness will require the Funds to comply with a number of customary financial and other covenants, such as maintaining debt service coverage and leverage ratios and maintaining insurance coverage. These covenants may limit the Funds' flexibility in their operations, and breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness even if the Funds have satisfied their payment obligations.

- *Lack of Liquidity of Interests.* No public or private market presently exists for interests and none is expected to develop. Transferability of Interests is subject to compliance with applicable securities laws and also will be affected by limitations imposed under the Governing Documents. In addition, in connection with any disposition of an investment, a Fund may be required to make representations about the investment. The Fund also may be required to indemnify the purchaser of the investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the Managers may establish reserves or escrow accounts.

- *No Redemption Rights.* The Funds are not required to redeem Interests at any time. The Governing Documents do not permit Limited Partners any right to have their Interests redeemed. Investors should plan to hold their Interests for the full term of the Funds.

- *Risk of Unspecified Investments.* Other than the information provided in the materials provided to prospective Investors, there is no information as to the nature and terms of any Funds investment that an Investor can evaluate when determining whether to invest in the Funds, and Investors will not generally have an opportunity to evaluate for themselves or to approve the portfolio investments. Investors will rely solely on the Managers and the Advisers with respect to the selection, amount, character and economic merits of each potential investment.

- *Return of Capital Contributions.* The offering of Interests in the Funds are not registered with the SEC and are made pursuant to certain exemptions from state and federal registration requirements. Although the Funds will receive representations and warranties from their Limited Partners to ensure compliance with such exemptions from registration and other matters, if it is later determined that this offering did not fully comply with state or federal law, a Fund may be required to refund to a Limited Partner its capital contributions, which refund would result in a reduction in the amount of operating capital available to the Fund and could impair the ability of the Fund to operate as planned. The Funds might be required to liquidate, with potential economic loss and tax risks to the remaining Limited Partners.

- *Availability of Suitable Investments.* The General Partner intends to acquire for the Funds, and the Funds intend to invest, only in properties that are suitable for the Funds and meet the Funds' investment criteria. Such properties may become available only occasionally and the Funds may not always be able to acquire such properties on favorable terms. A shortage of suitable properties could delay investments by a Fund and adversely impact

returns to Investors.

- *Dependence on External Sources of Capital.* The Funds may not be able to fund all future capital needs with equity capital or with cash retained from operations. In such case, the Funds will rely on third-party sources of capital. The Funds' ability to access private debt and equity capital on favorable terms or at all is dependent upon a number of factors, including general market conditions, the market's perception of the Funds' growth potential and the Funds' current and potential earnings and cash distributions.

- *Partner Clawback.* Each Limited Partner will be required to contribute to the Funds its proportionate share of (a) any indemnification obligations incurred by the Funds or (b) liabilities of the Funds incurred in connection with indemnity, purchase price adjustment, tax or other obligations incurred in connection with an investment. For this purpose, the Managers may recall distributions previously made to the Limited Partners, subject to the limits set forth in the applicable Governing Documents.

- *Limited Recourse to Managers or Advisers.* The Governing Documents include exculpation and indemnification provisions that will limit the circumstances under which the Managers or the Advisers can be held liable to the Funds and their Limited Partners. As a result, Limited Partners will have a more limited right of action in certain cases than they would in the absence of such limitations. Such provisions will not constitute a waiver by any Limited Partner of any of its legal rights under applicable federal securities laws or any other laws whose applicability is not permitted to be contractually waived.

- *Dilution from Additional Investors.* Limited Partners that are admitted or increase their capital commitment subsequent to a Fund's initial closing date will participate in existing investments of the Funds, diluting the interest of existing Limited Partners in the Funds.

- *Counterparty Risk.* The Funds are exposed to the risk that third parties that may owe the Funds money, securities or other assets will not perform their obligations. These parties include trading counterparties, clearing agents, exchanges, clearing houses, custodians, prime brokers, administrators and other financial intermediaries. Although the Managers and/or Advisers intend to enter into transactions with responsible and creditworthy counterparties, failure by a counterparty to fulfill its contractual obligations (due to credit, liquidity or other reasons) could expose the Funds to unanticipated losses. Such counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or whether the Funds have concentrated their transactions with a single or small group of counterparties.

- *Side Letters.* The Managers may enter into a side letter or similar agreement with any Limited Partner which has the effect of establishing rights under, or altering or supplementing the terms of certain Governing Documents or subscription agreements. If the Managers enter in to any such side letter or similar agreement with any other Limited Partner, such arrangement could create preferences or priorities for the Limited Partner who is the beneficiary of such arrangement vis-à-vis the other Limited Partners.

## Regulatory Risks

- *The Funds May Incur Significant Costs Complying with Regulations.* The operations of the Funds and tenants in properties owned by the Funds are subject to material federal, state and local laws, rules and regulations, as well as the laws, rules and regulations of non-U.S. jurisdictions, which could materially adversely affect the Funds. Generally, real estate properties are subject to various laws, ordinances, rules and regulations, including regulations relating to lien sale rights and procedures. In addition, property management activities are often subject to state real estate brokerage laws and regulations as determined by the particular real estate commission for each state. Changes in U.S. federal, state and local laws, rules and regulations, and, to the extent applicable, non-U.S. laws, rules and regulations, could negatively affect the ability of tenants in properties owned by the Funds to make lease payments to the Funds and, therefore, the Funds, its returns and cash available for distribution to holders of Interests, if any.

- *Changes in applicable laws, or noncompliance with applicable laws, could adversely affect the Funds' operations or expose the Funds to liability.* The Funds must redevelop and operate their investments in compliance with numerous federal, state and local laws and regulations, some of which may conflict with one another or be subject to limited judicial or regulatory interpretations. These laws and regulations may include zoning laws, building codes, landlord tenant laws and other laws generally applicable to business operations. Noncompliance with laws could expose the Funds to liability. Lower revenue growth or significant unanticipated expenditures may result from the Funds' need to comply with changes in (a) laws imposing remediation requirements and the potential liability for environmental conditions existing on properties or the restrictions on discharges or other conditions, or (b) other governmental rules and regulations or enforcement policies affecting the development, use and operation of the Funds' investments, including changes to building codes and fire and life- safety codes.

- *Investment Company Act Status.* The Managers and the Advisers intend to conduct the Funds' activities such that the Funds will not be required to register under the Investment Company Act. However, if the Funds were to become subject to the Investment Company Act as a result of a change in law or otherwise, the various restrictions imposed by the Investment Company Act and the substantial costs and burdens of compliance therewith could adversely affect the operating results and financial performance of the Funds and the value of their Interests. Moreover, parties to a contract with an entity that has improperly failed to register as an investment company under the Investment Company Act may be entitled to cancel or otherwise void their contracts with the unregistered entity.

- *Risks Relating to Admission of ERISA Investors to the Funds.* The Managers intend to conduct the operations of the Funds so that the assets of the Funds will not be deemed to constitute "plan assets" of Investors ("**Benefit Plan Investors**") that are subject to the fiduciary provisions of ERISA or the prohibited transaction rules of Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**"). If, however, the Funds were deemed to hold plan

assets of Benefit Plan Investors, (a) to the extent that any such Benefit Plan Investors are subject to ERISA, ERISA's fiduciary standards would apply to the Managers and/or Advisers and might materially affect the operations of the Funds, and (b) transactions into which the Funds might enter in the ordinary course of business may constitute prohibited transactions under ERISA and/or Section 4975 of the Code. In order to avoid having the Funds' assets treated as "plan assets," the Advisers and/or the Managers (as applicable) may seek to manage the assets and activities of the Funds so as to qualify them as "operating companies," and that may adversely affect the operations of the Funds. For example, the Managers may decide not to make an otherwise favorable investment because it would not count as a qualifying investment for purposes of the operating company requirements, or the Managers may decide to liquidate a given investment at an otherwise disadvantageous time based on these requirements. As an alternative means of avoiding the Funds' assets being treated as "plan assets," the Managers may restrict the acquisition, redemptions or transfers of Interests to ensure that the ownership interest of Benefit Plan Investors does not become "significant" with respect to the Funds' equity interests or may cause an early termination of a Fund.

- *"Bad Actor" Rules.* In the event that any beneficial owners of Interests in the Funds would cause a Fund to be subject to a "Bad Actor" disqualification pursuant to Rule 506(d)(1) of Regulation D under the Securities Act (any such disqualification, a **"Bad Actor Disqualification"** and any person described in Rule 506(d)(1) of Regulation D, a **"Covered Person"**), the Fund's Manager may take any action, in its discretion, to prevent the Fund from suffering adverse consequences as a result of such Bad Actor Disqualification, including reducing or revoking the voting Interests of such Covered Persons and/or requiring the sale of all or a portion of any such Covered Persons' Interests (with the cost and expense of any such action to be borne solely by such Covered Persons). In the event of the occurrence of a Bad Actor Disqualification by any Covered Person in respect of the Funds, the offering of Interests by the Funds may be terminated which could have a material adverse effect on the ability of the Funds to achieve their investment objectives.

## **Tax Risks**

Annual Income Tax Information. Each U.S. Limited Partner will be furnished information on a Schedule K-1 for preparation of such Limited Partner's U.S. federal income tax return. The furnishing of such information is subject to, among other things, the timely receipt by the Funds of information from the various entities in which the Funds has invested. Accordingly, Limited Partners may be required to obtain extensions for filing U.S. federal, state and local income tax returns.

- *Taxes in Excess of Distributions; "Phantom" or "Dry" Income.* Each U.S. Limited Partner will be required to report on its U.S. federal income tax return, and pay taxes on, its share of the Funds' income, gains, losses, deductions or credits for the Funds' taxable year ending within or with such Limited Partner's taxable year, whether or not cash or other property is distributed by the Funds to such Limited Partner. As a result, taxable income allocated to Limited Partners with respect to any taxable year may exceed cash distributions for such year, and Limited Partners may have to use funds from other sources to satisfy tax

liabilities arising from an investment in the Funds.

- *Tax-Exempt Limited Partners and UBTI.* It is expected that the investments made by the Funds will (a) constitute interests in U.S. real property within the meaning of the Section 897(c) of the Code and generate income that is effectively connected with a trade or business within the United States (“ECI”), (b) generate income that will be taxable to certain tax-exempt investors as unrelated business taxable income (“UBTI”) and/or (c) generate income that is derived from the conduct of commercial activity (“CAI”). Such investments would give rise to U.S. federal income tax reporting and payment obligations for tax-exempt and non-U.S. investors in the Funds.

- *Changes in Tax Law.* Changes to the Code, the issuance of administrative rulings or court decisions could impact the tax consequences to the Limited Partners of investing in the Funds. For example, the Biden administration has put forth a tax plan that, if passed, could have a significant impact on tax rates and the availability of deductions applicable to trades or businesses. While, at this point, we cannot predict the likelihood of tax reform, or the specific changes that may be enacted, if tax reform legislation moves forward, there may be an adverse impact to the Funds and its Limited Partners

- *Other Tax Risks.* An investment in the Funds involves complex U.S. federal, state and local and foreign income tax considerations that will differ for each Limited Partner. Prospective Limited Partners are advised to seek the advice of a qualified expert on matters of U.S. federal, state and local and foreign taxation of the Funds and ownership of the Interests. In judging whether to invest in the Funds, a prospective Limited Partner should consider the tax consequences thereof which include, but are not limited to:

- ♦ the possibility that the Interests could decline in value with a Limited Partner realizing a capital loss if the Funds are liquidated or the Limited Partner disposes of its Interests, with the deductibility of any such capital loss limited;
- ♦ the possibility of substantial taxation of the Funds or Interests, including imposition of state, local and foreign taxes (including withholding taxes), alternative minimum taxes and the net investment income tax (which taxation can and may occur even though funds to pay such tax have not and will not be distributed currently, or at all, as discussed and identified previously herein); and
- ♦ the possibility that the allocations of the Funds’ income, gain, loss, and deduction to the Limited Partners will not be respected.



**Item 9: Disciplinary Information**

---

To the best of our knowledge, there are no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

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

---

Neither PARE nor our management persons are registered as broker-dealers, and neither of us has any application pending to register with the SEC as a broker-dealer, registered representative of a broker-dealer, a futures commission merchant, commodity pool operator or a commodity trading adviser.

The Advisers are affiliated with the Managers and equivalent entities formed from time to time and subject to the Advisers Act pursuant to the Advisers' registration in accordance with SEC guidance. These entities operate as a single advisory business together with the Advisers and serve as managers or general partners of Funds, Co-Invest Vehicles and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

There may be situations in which the interests of a Fund, in an investment or otherwise, conflict with the interests of the applicable Fund's Manager, the Advisers or any of their affiliates. The Governing Documents provide disclosure to Investors as to the methods and practices used by the Advisers and their personnel to address these conflicts of interest. The Advisers' Chief Compliance Officer (the "CCO") is responsible for identifying any actual or potential conflicts of interest, reviewing the facts and circumstances underpinning the identified actual or potential conflicts of interest with the Advisers' key personnel and external counsel, if appropriate, and recommending an appropriate course of action to take.

The Manager of a Fund will refer a conflict of interest to the Advisory Board of a Fund. The Advisers do not recommend or select other investment advisers for their Clients and do not have any other business relationships that may create material conflicts of interest other than those described in Item 6 of this Brochure.

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

---

### *Code of Ethics*

The Advisers' Code of Ethics is designed to meet the requirements of Rule 204A-1 of the Advisers. The Code of Ethics applies to the Advisers' **"Access Persons."** Access Persons include, generally, any partner, officer or director of an Adviser and any employee or other supervised person of the Adviser (or an affiliate) who, in relation to the Clients, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. All employees of the Advisers are deemed to be Access Persons.

The Code of Ethics sets forth a standard of business conduct that takes into account the Advisers' status as fiduciaries and requires Access Persons to place the interests of the Clients and Investors above their own interests and the interests of the Advisers. The Code of Ethics requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code of Ethics to the attention of the Advisers' CCO. All Access Persons are provided with a copy of the Code of Ethics and are required to acknowledge receipt and understanding of the Code of Ethics upon hire and on at least an annual basis thereafter.

The Code of Ethics also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons are permitted to make securities transactions in their personal accounts which presents potential conflicts in that an Access Person could make improper use of information regarding a Client's holdings or future transactions or research paid for by the Client. An Access Person could take for himself or herself an investment opportunity available to a Client or could engage in "front-running" of the Client's investment.

The Advisers seek to manage the potential conflicts of interest inherent in Access Person personal trading by rigorous enforcement of its Code of Ethics, which contains strict pre-clearance and reporting guidelines for Access Persons. The Advisers require that Access Persons pre-clear initial public offerings ("IPOs") and limited offerings. Access Persons must also obtain pre-approval from the CCO prior to engaging in any outside business activities. Requests for pre-clearance are reviewed for potential conflicts of interest with the Clients. All investment transactions (including personal investment transactions) must be conducted consistent with the Code of Ethics, and in such a manner as to avoid any actual or potential conflict of interest, or any abuse of an Access Person's position of trust and responsibility.

Access Persons must provide the Advisers' CCO with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, the Advisers' Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1.

Further, the Advisers may place certain securities on a "Restricted List" comprised of names of issues of securities about which the Advisers (including Access Persons) have learned material, non-public information. Access Persons are strictly prohibited from purchasing or selling securities that appear on the Restricted List.

The Advisers will provide a copy of the Code of Ethics to Investors, or any prospective Investors to review, upon request.

## Participation or Interest in Client Transactions

### Allocation of Investment Opportunities

The Advisers have adopted an Investment Allocation Policy (the “**Policy**”) which requires the Advisers to treat the Funds in a fair and equitable manner as it relates to allocation of each investment opportunity (“**Investment Opportunity**”, collectively referred to as “**Investment Opportunities**”). In accordance with the Funds’ Governing Documents, the Advisers have discretion to allocate Investment Opportunities in such amounts and in such manner as the Advisers determine to be reasonably appropriate, taking into account for purposes of such determination all relevant then-existing circumstances as further outlined below. As such, there may be circumstances where a portion of an Investment Opportunity that would have otherwise been invested in by a particular Fund is instead offered to another Fund or is otherwise offered as a co-investment opportunity (as detailed below), and there can be no assurances with respect to the amount of any Investment Opportunity that will be allocated to each Fund.

The Advisers’ investment team determines whether an Investment Opportunity is permissible for a Fund managed by the Advisers pursuant to the Governing Documents of such Fund, including discretion with respect to co-investment opportunities.

Notwithstanding the foregoing, an Investment Opportunity may be allocated in a manner based on a variety of considerations, including, but not limited to, the following:

- Investment restrictions in Governing Documents or financing agreements (e.g., ability to hedge, draw down feature, investment period limitation, or other fund life limitations);
- Liquidity (e.g., allocation size may vary depending on a Client’s cash availability, other liquidity obligations of the Client account or commitments made to other investments);
- Tax considerations (e.g., FIRPTA and UBTI);
- Regulatory considerations, including FINRA Rule 5130 and Rule 5131, and banking, ERISA, Venture Capital Operating Company/Real Estate Operating Company and foreign laws and regulations, Rule 144A under the Securities Act, and Regulation S under the Securities Act;
- Current portfolio composition, diversification goals or targets, and risk management;
- Investment objectives and policies (e.g., a Fund with limited mandate or a multi strategy Fund);
- Disclosures previously made to Client accounts or Investors in such Client accounts regarding allocations; or
- Any other information determined to be relevant to the fair allocation of securities or other instruments.

### Co-Investments

The Advisers may allocate Investment Opportunities as co-investment opportunities in its sole and absolute discretion on any basis and there are no contractual obligations with respect to offering, rights or priority for co-investment opportunities. Further, the Advisers may present co-investment opportunities to any party at different times.

### Cross Trades and Principal Transactions

While the Advisers do not intend to engage in transferring securities from one Fund to another Fund (each such transfer, a "**Cross Trade**"), the Advisers would only so do if the Advisers determined the Cross Trade was the in best interests of each Fund. Further, the Advisers would seek to ensure that any such Cross Trade is consistent with the investment objectives and policies of each Fund involved in the trade and applicable law, as well as with the Advisers' fiduciary duty and obligation to seek to obtain best execution for each Fund.

As a general matter, the Advisers do not intend to engage in principal transactions with the Fund(s). To the extent, however, that Cross Trades may be viewed as principal transactions (as such term is defined under the Advisers Act) due to the ownership interest in a Fund by the Advisers or their personnel, the Advisers will comply with the requirements of Advisers Act Section 206(3). Each Fund may appoint a committee for the purpose of independently reviewing and approving any such principal transactions or agency cross transactions on behalf of such Fund.

**Item 12: Brokerage Practices**

---

As described above, the Advisers are the investment advisers to the Clients. The Advisers engages in privately negotiated transactions and do not utilize broker-dealers to effect investments on behalf of its Clients.

**Item 13: Review of Accounts**

---

The Advisers continuously monitor and analyze the Funds' performance.

Investors in the Funds generally receive quarterly reports and account statements from the Advisers as well as audited financial statements within 120 of the end of the fiscal year.

**Item 14: Client Referrals and Other Compensation**

---

The Advisers currently do not enter into solicitation or referral agreements.

Furthermore, the Advisers do not receive compensation, other than Management Fees and performance fees, related to the advisory services provided to its Clients.



**Item 15: Custody**

---

The Advisers will comply with Rule 206(4)-2 under the Advisers Act (i.e., the “custody rule”) by meeting the conditions of the pooled vehicle annual audit approach. All Funds are subject either to an annual audit or surprise examination. For those Funds subject to an annual audit, an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), we will distribute the Funds’ audited financials to Investors within 120 days of such Fund’s fiscal year end.

**Item 16: Investment Discretion**

---

The Advisers have discretionary authority with respect to investment decisions for the Funds in accordance with the Governing Documents of each Fund. Each Client's investment strategy is set forth in detail in such Client's Governing Documents. Fund Investors do not have the ability to impose limitations on the discretionary authority of the Advisers. Fund Investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a private pooled investment vehicle.

**Item 17: Voting Client Securities**

---

Given the Advisers' investment strategies, it has not been (and does not expect to be) presented with traditional proxy votes. In the future, in the unlikely event that the Advisers anticipate the need to exercise voting authority with respect to Client securities, it will adopt policies and procedures otherwise compliant with Rule 206(4)-6 under the Advisers Act.

**Item 18: Financial Information**

---

The Advisers are not aware of any financial condition that is expected to impair its ability to manage Client assets and no Advisers, nor any of its affiliates, has been the subject of a bankruptcy proceeding.