

Part 2A of Form ADV: Firm Brochure



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This Brochure provides information about the qualifications and business practices of Washington Capital Management, Inc. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer at 206-382-0825 or via email at tvoll@wa-cap.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

We are a registered investment adviser. Registration with the SEC does not imply a certain level of skill or training. Additional information about Washington Capital Management, Inc. is available on the SEC's website at www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with the Firm who are registered, or are required to be registered, as investment adviser representatives of the Firm. You can search this site by a unique identifying number, known as a CRD number. Our CRD number is 105253.

In accordance with Securities and Exchange Commission (SEC) requirements and rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

The following is a summary of material changes since our last annual Brochure, dated March 20, 2023.

- Washington Capital added additional commingled investment vehicles established as “feeder funds” for the Eligible Investors as defined in Item 4.
- Sean Whitfield was named Assistant Portfolio Manager for the Real Estate Debt Strategy, effective March 31, 2023.
- Ken Tasaki was named Assistant Portfolio Manager for the Joint Master Trust Real Estate Equity Strategy, effective June 30, 2023.
- Washington Capital's San Francisco office moved to a new location in July 2023.
- David Littlefield was removed as a voting member of the Real Asset Committee in Item 13 on August 21, 2023.

Mr. Littlefield transitioned to an Advisor role effective September 30, 2023. His duties were transitioned to other Washington Capital employees.

- Robert Kovecs, Senior Vice President, Chief Financial Officer and Tracey Voll, Senior Vice President, Chief Compliance Officer resigned from the Real Asset Committee in Item 13 effective August 21, 2023.
- Selina Giaquinto, Vice President, Asset Management, was added as a voting member of the Real Asset Committee in Item 13.
- Walter Bastis, Vice President, Asset Management, was added as a voting member of the Real Asset Committee in Item 13.
- Julie Railey was named Vice President, Portfolio Manager, Real Assets, October 1, 2023, and was added as a voting member of the Real Assets Committee in Item 13.
- Michael G. Russell, Executive Vice President, Chairman and Economic Strategist, resigned from the Securities Investment Committee in Item 13 effective December 31, 2023.

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Washington Capital Management, Inc. (“WaCap” or “we”) is an SEC-registered investment adviser with its principal place of business located in Washington State. WaCap began conducting business in 1978.

Listed below are the shareholders owning 5% or more of the company.

- Cory Carlson Chief Executive Officer & President
- Mark Clifford Senior Vice President, Real Estate
- Thomas Fisher Executive Vice President, Senior Portfolio Manager, Real Estate Debt
- Patrick Malley Executive Vice President, Chief Investment Officer
- Paul Ravetta Executive Vice President, Chief Operating Officer

WaCap offers the following advisory services to our clients:

Portfolio Management

WaCap is a multi-strategy investment manager that offers strategies/portfolios in stocks, bonds, commercial real estate (debt and equity) and feeder funds that invest in private equity funds managed by unaffiliated advisors. WaCap provides both privately offered commingled pooled investment funds (including feeder funds) and separately managed accounts. We serve as an investment manager primarily for institutional investors and accounts, such as pension and profit-sharing plans, corporations, charitable organizations, and governmental entities. Institutional investor clients generally engage us as an investment adviser for one or more of our investment strategies as determined by the client, working with us, to be an appropriate strategy for that client.

WaCap manages specific investments, such as the pooled investment funds, based on the fund’s investment objective and strategy. For clients with separately managed accounts, investment portfolios are managed based on the investment guidelines as agreed upon between the client and us. We also manage separate account real estate equity and mortgage portfolios, both of which invest in secured mortgage loans and income-producing commercial real estate. These portfolios are managed in accordance with the client’s objectives and investment guidelines for the separate account.

WaCap offers commingled pooled funds managed through the Washington Capital Joint Master Trust, a trust organized under the laws of the state of Washington and qualified and tax-exempt as a group trust under the provisions of IRS Revenue Ruling 81-100 (the “JMT” or the “Trust”). We are the Trust’s sponsor and discretionary investment manager. The Trust has established separate investment funds or portfolios that include a mid-cap growth fund, a fixed income fund, a mortgage income fund, a real estate equity fund, and a transportation infrastructure fund that invests its assets in a private equity fund managed by an unaffiliated investment manager (each, a “Fund”). Under the Trust’s governing documents, each Fund is separately held, managed, administered, valued, invested, distributed, audited, accounted for, and otherwise dealt with as a separate entity. Only qualified pension plans are permitted to invest in the Trust. Each Fund is exempt from registration as an investment company under the Investment Company Act of 1940, and its interests are exempt from registration under the Securities Act of 1933 in reliance upon an exemption available to an issuer whose securities are not publicly offered. Washington Capital Management, Inc. manages each Fund on a discretionary basis in accordance with the terms and conditions of the Master Trust Document and each Fund’s investment guidelines.

WaCap also offers commingled real asset investments established as “feeder funds” (each, a “Feeder Fund”), both closed and open-ended funds, that invest in private equity and debt funds managed by an unaffiliated independent investment manager. Investors can include certain pension plans, profit sharing plans, retirement plans, or Government plans that are qualified purchasers or qualified clients and accredited investors (such investors are referred to as “Eligible Investors”). These funds are also offered for the benefit of qualified institutional investors subject to ERISA, who require the services of an ERISA fiduciary in connection with their investment through our Feeder Funds.

WaCap also offers a comingled mortgage real estate fund outside of the JMT that anticipates applying the same fee structure and strategies as the mortgage real estate account offered through the JMT. Only qualified investors are permitted to invest in this fund.

In addition, we provide investment management services to individual clients based on the needs of the client. Through personal discussions in which goals and objectives based on an individual client's particular circumstances are established, we assist the client in developing investment guidelines and manage a portfolio based on the client's guidelines. During our information and data gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family or business composition and background.

We generally manage client accounts on a discretionary basis. Clients have the opportunity to place reasonable restrictions on the types of investments to be held in their separately managed accounts. Account supervision is guided by the client's stated investment guidelines, investment policy statements, and tax considerations, if applicable. In some limited cases, primarily in a few separately managed real estate debt and equity accounts, we manage client accounts on a non-discretionary basis where the account requires client pre-approval of investment acquisitions or dispositions.

Once the client's portfolio has been established, we monitor and review the portfolio on an ongoing basis.

Our advisory services include, but are not necessarily limited to, investments in the following:

- Exchange-listed securities, including Exchange Traded Funds and iShares
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States governmental securities
- Interests in partnerships investing in real estate
- Other private investments: commercial mortgages, real estate equity, bonds, privately offered pooled investment funds (including Feeder Funds)

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability. To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we:

- Send quarterly account reports to the client and any other party as the client directs us
- Maintain contact with clients to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to modify existing investment guidelines
- Be reasonably available to consult with the client

Consulting Services

WaCap also offers consulting services, primarily related to real estate and economic consulting. Services include, but are not limited to, advice concerning investment strategy, policy statements, and asset allocation as well as advice on specific real estate transactions, investments, or market analysis.

We also provide Qualified Professional Asset Manager (QPAM) services for clients that are employee benefit plans regulated by the Employee Retirement Income Security Act of 1974 ("ERISA"). WaCap is a QPAM within the definition set forth by the Department of Labor. Our net worth exceeds \$1,000,000 and institutional assets under management exceed the \$85 million minimum requirement. QPAM services include, but are not limited to, the following:

- Assessing and resolving "party in interest" conflicts
- Evaluating and engaging external real estate service providers
- Asset management
- Property acquisition
- Property disposition

- Development/redevelopment
- Property appraisal
- Valuation
- Client reporting

Amount of Managed Assets

As of December 31, 2023, we were actively managing \$8,385,398,695 of clients' net assets on a discretionary basis and were actively managing or loan servicing \$551,053,302 of clients' net assets on a non-discretionary basis. Total firm assets under management include both discretionary and non-discretionary accounts managed and serviced including equity, fixed income, net real estate equity, real estate debt, and Feeder Funds. The amount of these net assets will differ from "regulatory assets under management" as reported in our Form ADV Part 1.

ITEM 5

FEES & COMPENSATION

Portfolio Management Fees

WaCap has a different fee relationship with clients depending on the nature of the investment management services, the date the advisory relationship commenced, and the assets committed to both the investment program and in total to us. Fees are generally based on the market value of assets under management (whether managed as a separate account or in one or more of our Funds).

Our advisory fees for separate accounts are negotiable and are subject to minimums. We may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee rate. Client fees can differ from our proposed fee schedule. Our current proposed fee schedule, shown as an annual percentage rate based on assets under management tiers, is listed below.

Institutional Accounts

Mid Cap Growth Equity	First \$10 million	0.80%
	Next \$15 million	0.70%
	Thereafter	0.60%
Core Fixed Income	First \$20 million	0.30%
	Next \$30 million	0.25%
	Next \$50 million	0.15%
	Thereafter	0.05%
Core-Plus Fixed Income	First \$20 million	0.35%
	Next \$30 million	0.30%
	Next \$50 million	0.20%
	Thereafter	0.10%
High-Yield Fixed Income	First \$20 million	0.45%
	Next \$30 million	0.40%
	Next \$50 million	0.30%
	Thereafter	0.20%
Intermediate Maturity 1 to 10 Year Fixed Income	First \$20 million	0.30%
	Next \$30 million	0.25%
	Next \$50 million	0.15%
	Thereafter	0.05%
Short Maturity 1 to 5 Year Fixed Income	First \$25 million	0.25%
	Next \$75 million	0.20%
	Thereafter	0.05%
Mortgage Real Estate Accounts* and **		0.50%

Equity Real Estate Accounts..... 1.00%

Privately Offered Pooled Investment Vehicles

Real Asset Opportunities (Redeemable Funds) 0.20% to 0.25% (depending on the fund)

Real Asset Opportunities (Closed End Funds) 0.20% to 0.25% (depending on the fund)

Non-Institutional, Individual Accounts 1.00%

The management fees for separately managed real asset opportunities accounts are generally based on the account's net asset value, payable on a quarterly basis in advance. The advisory fee payable to WaCap for each real asset fund is set forth in each fund's governing agreement and is generally based on the client's (i) capital commitment to the fund or the (ii) total invested capital. Some of our redeemable funds have a sliding fee scale; the fees shown above encompass the range of fees we expect based on our current commitments to the fund. Some fund expenses are accrued and billed quarterly.

*Members admitted to the Real Asset Income Fund on or within three months after the date of the Initial Closing, April 30, 2021, shall be charged a management fee in an amount equal to 0.40% for each of the first three years following the Member's admission to the Fund, and 0.50% for each year thereafter. Members admitted to the Fund on or after August 1, 2021, will be charged 0.50%.

Fees for accounts are generally payable quarterly in arrears, billed at the end of each calendar quarter, and computed upon the value of the assets as of the last day of the calendar quarter. If, during the calendar quarter, assets are added or withdrawn, the fee can be prorated based on the number of days the assets were managed during the quarter.

We generally bill the client directly at the end of each quarter. For most account types, the client can, by proper written authorization, request that the fees be paid out of the investment account. In this situation, we will bill the custodian of the investment account directly and the custodian will deduct the fees from the account and send the fees to us; a copy of the fee billing is also sent to the client.

Other Fees (Real Estate and Real Assets)

****Mortgage Loan Fees**

WaCap also receives, as an additional fee, up to forty percent (40%) of each loan origination and modification fee collected from mortgagors whose mortgages become assets of one of our commingled mortgage accounts, while the portfolio receives sixty percent (60%) of each fee. This additional fee is intended to compensate WaCap for our services in connection with the origination, underwriting, closing, and servicing of mortgage loans. On loan modifications that do not include the funding of new loan dollars, including changes to just the loan rate and/or term, the entire loan fee is typically retained by the commingled account. Upon closing of a mortgage, or such earlier time as a loan fee is earned and collected from a mortgagor, an amount up to forty percent (40%) of the loan fee earned and collected shall be paid by the custodian/trustee of the commingled account to WaCap and the remaining sixty percent (60%) shall be retained as income to the commingled accounts.

Separately Managed Real Estate Equity and Mortgage Accounts

Clients participating in separately managed accounts may be charged various fees, such as loan or servicing fees, in place of or in addition to the advisory fee charged by our firm. These fees, as well as advisory fees, are individually negotiated for each client and can vary substantially from the fees charged under pooled fund arrangements. Portfolio management fees can be based upon the cost, current market value, or some combination of the two, or can be based on the assets in the client's separate account portfolio under management. Additionally, a portion of the portfolio management fee can be based upon the amount of third-party financing. These fees will be billed either monthly or quarterly in arrears. Negotiated fees may also include performance-based fees (please see Item 6).

The fee payable to WaCap for originating, managing, processing, and documenting loans for separately managed mortgages on behalf of separate account clients (excluding servicing fees) are negotiated and most often range from

0.5% to 3.0% of the total amount of each loan's outstanding balance or market value. Alternatively, the fee will be 40% of the amount of any loan fee paid by borrower to client. Our fee is payable within 30 days after receipt of a written billing from us but in no event prior to the close of any transaction.

Investment management and/or loan servicing fees related to separately managed real estate mortgages typically range from 0.25% to 1.0% per annum and are calculated on either i) the outstanding principal balance of the mortgage, or ii) the total fair value of the mortgage account as negotiated with the client. Fees are billed directly to the clients monthly.

Joint Master Trust Funds

Clients that are invested in one or more Funds within the Washington Capital Joint Master Trust will indirectly pay certain fees and expenses of the particular JMT Fund, such as (i) fees and expenses of the custodian and trustee; (ii) real estate expenses and fees incurred by the JMT Fund related to the acquisition, disposition, and operation of the real estate properties; (iii) fees and expenses incurred in connection with any credit facility, loan or similar obligations entered into by the JMT Fund; (iv) any costs associated with litigation, alternative dispute resolution expenses incurred in any claim or action in connection with recovery, protection or preservation of property received or held by a JMT Fund; (v) insurance deductibles; (vi) fees incurred in connection with the valuation of portfolio real property and debt; and (vii) any brokerage costs and expenses incurred in connection with the acquisition or disposition of real property and securities. Please refer to the governing documents of the JMT for specific details of the relevant JMT Fund.

Real Asset Opportunities (through WaCap Feeder Funds)

Clients participating in a WaCap Feeder Fund will bear (a) indirectly all management fees, costs, and expenses of the underlying fund ("Underlying Fund") in which Feeder Fund is invested; and (b) directly (i) any fees and expenses chargeable or passed through to the Feeder Fund by the Underlying Fund that are not paid out of the Feeder Fund's capital contributions to the Underlying Fund, as may be provided for in the Underlying Fund's governing agreement; (ii) the fees and expenses of the Feeder Fund's custodian; (iii) the fees and expenses of the Feeder Fund's administrator; (iv) the fees and reasonable expenses incurred by the Feeder Fund's partnership representative; (v) any taxes, corporate maintenance or licensing fees, or federal or state "blue sky" securities filing fees charged to the Feeder Fund or its income or investments; (vi) all costs, litigation and alternative dispute resolution expenses, and attorneys' fees incurred in any claim or action in connection with the recovery, protection or preservation of property received or held by the Feeder Fund; (vii) any costs associated with any Advisory Committee meetings; and (viii) indemnification obligations with respect to the Feeder Fund's manager, officers, members of the Feeder Fund's advisory committee, the Feeder Fund's partnership representative, custodian, administrator, and others as set forth in each Feeder Fund's limited liability company agreement. Please refer to the governing documents of the relevant Feeder Fund for specific details.

Consulting Services

Fees charged for consulting services are negotiated and may be hourly or fixed fees. Hourly fees are generally billed monthly and are payable within 30 days. Fixed fees are generally due upon the completion of the work. WaCap does not have a standard fee schedule for consulting services.

Fees for QPAM services are based on the type of service being provided and are negotiated with each client. WaCap does not have a standard fee schedule for QPAM services. Fees vary depending on the nature and scope of services to be provided and may be hourly, fixed, or based on the value of the assets or square footage of leases under management. Fees are billed based on the terms of the QPAM agreement and are payable within 30 days.

General Information

Limited Negotiability of Advisory Fees

Although WaCap has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances, and needs will be considered in establishing the fee schedule. Such considerations include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, and reporting requirements, among other factors. The specific annual fee schedule will be identified in the contract between WaCap as the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, might be offered to family members and friends of associated persons of our firm.

Termination of the Advisory Relationship

Unless otherwise stated in the terms of the investment advisory agreement, a client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days' written notice. Terminations of investments in our commingled strategies are subject to the terms and redemption requirements of the JMT Fund trust documents or the limited liability company agreements for the Feeder Fund and mortgage real estate fund. Investments in real estate debt and real estate equity strategies are further subject to liquidity limitations.

The JMT real asset Feeder Fund may be terminated by the Client only as provided in the Fund documentation, as the Investment Manager can only withdraw capital from the Underlying Fund as expressly provided in the Underlying Fund Documents and does not have the right to withdraw capital from the Underlying Fund at its option. Limited liability company agreements for the non JMT Feeder Funds, once accepted, may not be cancelled, terminated, or revoked, except as permitted by applicable law or as otherwise explicitly provided in the Partnership Agreement of the Underlying Fund.

An investment in a Feeder Fund requires a long-term commitment and investors will not be able to liquidate their interests when they might wish to do so. Investors cannot terminate or seek redemption in the closed end Feeder Funds as WaCap's Feeder Fund cannot terminate or seek redemption in the Underlying Fund. Open ended Feeder Funds offer quarterly redemptions subject to fund restriction and/or lockup periods.

Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of unearned fees, the reimbursement will be determined by pro rating the fee according to the number of days remaining in the billing period.

Mutual Fund and Exchange Traded Fund Fees

All fees paid to WaCap for investment advisory services are separate and distinct from the fees and expenses charged by third-party mutual funds and/or exchange traded funds (ETFs) to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, 12b-1 fees, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Grandfathering of Minimum Account Requirements

Advisory clients are subject to our minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our minimum account requirements will differ among clients.

ERISA Accounts

Washington Capital serves as a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to ERISA. As such, we are subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, we may only charge fees for investment advice about products for which we and/or our related persons do not receive any commissions or 12b-1 fees or, conversely, investment advice about products for which we and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset our advisory fees.

Advisory Fees in General

Clients should note that similar advisory services may be available from other registered (or unregistered) investment advisers for similar or lower fees.

Real Asset Funds

A client invested in a Feeder Fund, whether through the JMT Fund or any of the other Feeder Funds, will bear the management fee of the Underlying Fund's investment manager; however, combined with WaCap's advisory fee this is equal to the total management fee the client would pay if it directly invested in the Underlying Fund.

We believe all material conflicts of interest which could cause WaCap or any of its employees to not render unbiased and objective advice have been disclosed to our clients in writing.

ITEM 6 PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

Performance-based fees may also be negotiated with WaCap's institutional clients. Such fees are only paid after negotiated performance hurdles have been met. Performance-related fees are structured to comply with the applicable requirements of the Investment Advisers Act of 1940 (e.g., Section 205 and rules and regulations thereunder). When this type of fee is paid, disposition fees are generally not paid.

ITEM 7 TYPES OF CLIENTS

WaCap provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Banking or thrift institutions
- Pooled investment vehicles
- Pension and profit-sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above
- State or municipal government entities
- Taft-Hartley Health & Welfare, Training Trust, and Cash Management Accounts

A minimum of \$1,000,000 of assets under management or \$10,000 in annual fees is generally requested for our services. Minimum account size or account fees can be negotiable under certain circumstances.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

Methods of Analysis

WaCap manages portfolios with various investment strategies. The following methods of analysis may be used in formulating our investment advice and/or managing client assets:

Fundamental Analysis

We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to

determine if the company is underpriced, indicating it may be a good time to buy, or overpriced, indicating it may be time to sell.

We attempt to measure the intrinsic value of a real property investment by looking at economic and financial factors (including the overall economy, industry conditions, fundamental supply and demand, inherent risk, the credit of the tenants, and the physical and financial condition of the property, or in the case of a development investment, the projected financial performance) to determine if the property has a good likelihood to produce an acceptable return.

For mortgage investments, we assess geographic and property markets, submarkets, regional and local economies, all of which drive demand for any given property. Deeper analysis includes demand drivers for the specific property, historical occupancy and income/expense history, future supply and demand, as well as the physical condition of the property, including a seismic, flood and other high risk weather assessment in the appropriate areas. We assess the competition to confirm whether or not the return justifies the risk.

For real asset investments we attempt to measure the value of an investment by looking at economic and financial factors (including the overall economy, industry conditions, the financial condition, track record, and management of the investment management company itself) to determine if the company or fund offers the opportunity to achieve an appropriate return for the perceived level of risk for the anticipated return.

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security or real estate investment, as well as the value of any investment, can rise or fall along with the overall market regardless of the economic and financial factors considered in evaluating the security or investment.

Technical Analysis

We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and to potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

Macro Trends Analysis

When analyzing real estate, we look at historical changes in markets – by geography and property sector – and general supply and demand trends, including demographics, and apply that analysis to the present in an attempt to recognize opportunities for investing in markets and sectors that will produce acceptable returns.

Macro trend analysis does not consider the underlying physical and financial condition of a property or security. This presents a risk in that a poorly managed or financially unsound property or security may underperform regardless of positive market trends.

Quantitative Analysis

For a security we use methods of data analysis and statistical modeling in an attempt to quantify and/or forecast characteristics such as expected returns, volatility, price trends, and risk exposures of securities and to verify/identify statistical relationships between securities, asset classes, and macroeconomic variables.

For real estate, we use methods of data analysis and financial modeling in an attempt to quantify and/or forecast expected returns, cash flows, needed capital expenditures, volatility, price trends, and risk exposures of properties and to evaluate projected returns in light of specific macro trends applicable to specific property sectors, and macroeconomic variables.

In permanent mortgage investments, we primarily rely on underwritten cash flows rather than a loan to market value test. The cash flow will be estimated using the lesser of the existing rent roll or current market rents along with projected expenses (if available), which will produce a projected cashflow to underwrite. We would then assess market vacancy, including adjustments for future supply or lack thereof, and the appropriate amortization based on the age and condition of the property, and apply the interest rate to derive a debt service coverage ratio

(DSCR.) A minimum DSCR would take into account projected leasing activities at a property, and how our mortgage would be refinanced out in the market.

Construction loans are generally evaluated on a loan to cost basis, overlain with a projected future cashflow as derived immediately above with the permanent loan analysis. With the future cashflow, typically derived from an MAI appraisal, we would then perform a sensitivity analysis using different interest rates to assess the borrowers' ability to refinance out of the construction loan upon maturity.

For real assets we use methods of data analysis and statistical modeling in an attempt to quantify and/or forecast characteristics such as expected returns, and risk exposures of funds and to verify/identify statistical relationships between specific investments, asset classes, and macroeconomic variables.

Statistical conclusions can never be completely certain; results can only be estimated to a reasonable level of confidence. Modeling relies on assumptions about the structure of the underlying data and a myriad of factors that impact cash flow, including inflation rates applied to revenue and expenses. This presents a risk that model results could be impaired or invalidated as the characteristics of markets change.

Risks for All Forms of Analysis

Our securities analysis methods rely on the assumption that we receive accurate and unbiased data from the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities.

Our real estate analysis methods rely on the assumption that the property specific data provided by the seller for properties we purchase and financial data for borrowers we lend to, general economic data, and other publicly available sources of information about these properties, are accurate and unbiased.

While we are alert to indications that data may be incorrect, there is always a risk that our analysis could be compromised by inaccurate or misleading information.

Investment Strategies

WaCap uses the following strategy(ies) in managing client accounts, provided that such strategy(ies) is (are) appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

- *Real Estate Debt & Equity Portfolios*

We manage a pooled real estate debt portfolio through the JMT that invests primarily in a diversified portfolio of quality private, commercial mortgage loans, and marketable securities. The strategy objective is to provide stable current income by investing in a diversified portfolio of commercial mortgages secured by different property types across the United States including Alaska and Hawaii. The portfolio is invested in construction loans, permanent loans, mezzanine loans, or construction and permanent combination loans to finance both development opportunities and existing properties. We seek to diversify the mortgage investments by location, real estate product type, loan type, amount, and loan term. Loans are generally secured by first lien mortgages/deed of trusts, with some exceptions as allowed for in the applicable investment guidelines.

We also offer a commingled real estate equity fund through the JMT that invests in private equity real estate opportunities. The investments can be structured as equity ownership, joint venture equity investments, priority capital, mezzanine loans and equity-like investments structured as a loan secured by a first trust deed. Our objective is to provide current income and long-term capital growth by investing in a diversified portfolio of properties across the United States including Alaska and Hawaii. The strategy invests in equity and equity-like positions in real estate. We seek development and value-added opportunities, some of which may be retained after reaching stabilization. We also acquire operating properties that offer current income and the opportunity for value appreciation. The portfolio seeks to diversify across property type, location, investment size, as well as development and redevelopment status. The fund invests in both single and multitenant

properties, and in both seasoned and development projects. Under special circumstances, the fund will invest in specialized real estate projects. The fund may utilize a limited amount of debt to enhance returns.

The pooled portfolios in the JMT are available only to qualified pension and retirement accounts, are highly illiquid, and are subject to redemption provisions.

WaCap also offers a comingled mortgage real estate fund outside of the Trust that is available to qualified investors. This fund anticipates applying the same investment strategy as the pooled real estate debt fund described above.

Investments in real estate are highly illiquid and may not be an appropriate investment for clients with short-term or liquid investment objectives.

- *Real Asset Opportunities (through WaCap Feeder Funds)*

WaCap offers the ability for Eligible Investors to invest in commingled equity and debt investment vehicles through a Feeder Fund (both closed-end and open-end funds), that invests in privately offered equity funds managed by unaffiliated independent investment managers. The investment managers of the underlying real asset investment fund are responsible for all investment decisions of the underlying real asset investment fund. WaCap believes we have identified Underlying Fund investment managers with extensive investment experience in the real asset investment management industry.

One of the Feeder Funds is offered as a separate fund of the JMT and other Feeder Funds have been established as separate limited liability companies formed in each case to invest in the underlying real asset investment fund managed by an unaffiliated independent investment manager.

WaCap will manage and administer the client's or investor's indirect investment in the underlying real asset investment fund (through the Feeder Fund) and perform certain other duties with respect to, and on behalf of, the client or investor as further set forth in (i) the JMT documents and the client's separate account advisory agreement or (ii) each other Feeder Fund's limited liability company agreement.

WaCap serves as an ERISA fiduciary for all of these Feeder Funds. The Feeder Funds are only available to Eligible Investors. An investment in a closed-end Feeder Fund is highly illiquid. An investment in the open-end Feeder Fund offers quarterly liquidity subject to an initial lock up period and prior notice to WaCap. In addition, the ability of the Feeder Fund to redeem a client's investment is subject to the underlying real asset investment fund having available assets to return to the Feeder Fund the amount necessary for the Feeder Fund to distribute the redemption proceeds to the redeeming investor.

- *Stocks (Equity Portfolios)*

We manage growth and value portfolios on a separate account or pooled account basis.

Our growth equity investment portfolio includes top-down analysis of global macroeconomic trends and bottom-up analysis of stock-specific fundamentals. Our goal in recognizing investment opportunities is to identify companies that we believe have strong fundamentals and which are involved in the global growth trends we identify during our top-down research.

In our top-down review of global growth trends, we seek to identify multi-year growth trends that result from new regulations, new technologies, long-term supply and demand imbalances, or other drivers that may change the way companies do business. We review demographic trends, new and potential technologies, available resource trends, economic reports from various regions and countries, as well as a multitude of research products and opinions regarding the future of sectors, industries, countries, and international regions. We then attempt to identify opportunities for long-term growth within investible sectors of the U.S. economy.

Our bottom-up stock analysis consists of seeking out companies that have strong fundamentals: strong revenue growth opportunities, company specific factors that will allow the target company to improve their margins and increase earnings growth, ample resources to fund growth, ample cash balances, limited debt, and management teams with a track record of successfully growing businesses.

We look for investments that we believe have long growth trajectories, and purchase stocks with the expectation that the growth drivers will remain in place for a company for at least three years. Our philosophy is to buy stocks that we expect to own in excess of twelve (12) months, though that goal may not be met, depending on market conditions or changes in the outlook for a specific stock.

Our large cap value portfolios are accounts which can include stocks, bonds, ETFs, and cash reserves; however, the strategy emphasizes stock market investing. Generally speaking, risks and rewards will be broadly similar to those for U.S. stock and investment grade bond markets. Our large cap stock selection strategy is a “classic” value strategy. Classic strategies emphasize absolute present and future valuation, which differs from relative valuation strategies that seek to find cheaper assets relative to other asset prices. The idea is to invest in assets which are cheap to absolute or intrinsic valuation factors and to sell at much higher prices.

- *Bonds (Fixed Income Portfolios)*

We have developed portfolios which focus on fixed income investments and manage portfolios across the full range of maturity spectrums: short cash management, limited maturity, intermediate maturity, core, core-plus, and high yield. We believe that non-treasury products offer investors the opportunity to add incremental returns versus government securities over various interest rate cycles. As such, our fixed income investment process seeks to add value by overweighting non-treasury securities. We manage these fixed income portfolios on a separate account or pooled account basis. Ultimately, these portfolios are managed relative to a client's specific investment guidelines, objectives, and benchmark.

Our client portfolios are invested across the entire spectrum of investment grade securities with an emphasis on corporate credits. We also manage client portfolios which invest in below-investment grade securities. We generally limit high yield investments to Ba or B equivalent rated categories. Portfolio duration is generally limited to +/- 20% of a client's benchmark, and sector exposure limits are actively maintained to provide the opportunity to add value while controlling risk.

Our fixed income investment process combines top-down macro research with rigorous, bottom-up fundamental analysis in constructing client portfolios. At the macro-level, we evaluate interest rate volatility, identify sectors that we believe are likely to outperform and determine appropriate portfolio duration. Our bottom-up analysis includes performing independent, exhaustive fundamental research and identifying those corporate sectors and issuers which we believe have the potential to offer excellent relative value opportunities. For securitized issues, we seek to identify bonds offering predictable and stable cash flows to minimize duration shift in the portfolio.

Our fixed income portfolios typically overweight corporate credits. We believe the yield advantage offered by these securities adds incremental returns over interest rate cycles. Our universe of eligible securities begins with securities that are rated as investment grade by at least one credit rating agency at the time of purchase. In some instances, our fixed strategies can allocate to corporate credits that are rated as below-investment grade at time of purchase. We use proprietary screening models to enhance the efficiency of our corporate security review process by filtering the corporate universe on a number of factors. At the security level, our process prioritizes fundamental research to try and identify superior performers across the maturity and quality spectrum.

Lastly, within the fixed income portfolios, we also typically maintain exposure to securitized products. We recognize the diversification advantage and income benefits that securitized bonds may offer relative to government securities. Our sector research begins with an analysis of interest rate volatility to identify which part of the curve we believe offers the best return potential. We employ a relative value analysis at the security level by comparing portfolio candidates with existing securitized bonds and credits on a risk/return basis.

- *Long-Term Purchases*

We typically employ the strategy of purchasing securities with the idea of holding them in the client's account for a year or longer when we believe the securities to be currently undervalued, and/or we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

- *Short-Term Purchases*

Purchasing securities with the idea of selling them within a relatively short time (typically a year or less) is a strategy used in an attempt to take advantage of conditions that we believe will soon result in a price swing in those securities.

- *Trading*

To take advantage of our predictions of brief price swings, we might purchase securities with the idea of selling them very quickly (typically within 30 days or less).

Risk of Loss

Securities, real estate, and real asset investments are not guaranteed, and you could lose money on your investments. We ask clients in one or more of our strategies to work with us to help us understand their tolerance for risk.

In addition to the overall risk of loss, additional risks exist in various investment strategies. A discussion of these potential risks follows. For all strategies offered, please also review the General Risks shown near the end of this section.

- *Real Estate Mortgage Strategy Risks*

Interest Rate Risk. Interest rates can change on a day-to-day basis. Current interest rates also serve as the discount rate for any future cash flows generated from mortgage investments. In essence, the value of a mortgage will change as interest rates fluctuate. This value change can cause mortgage income investments to have unrealized losses, or unrealized gains, from changes in interest rates. Generally, an increase in interest rates is due to an increase in the expected future inflation rate in the economy.

Prepayment Risk. Investments in mortgages will entail prepayment or convexity risk. Generally speaking, as interest rates decline, mortgage values should increase as the projected future cash flows are now discounted by a lower interest rate. However, lower interest rates can entice borrowers to refinance their mortgages. Hence, mortgage holders (i.e., lenders) risk the possibility that borrowers may elect to repay loan principal before the loan maturity date and may receive the loan principal at par or with a prepayment premium, depending on the original loan documentation and the timing of the prepayment. This generally limits the price appreciation of mortgages under a declining rate environment to reflect the possibility of prepayment. As such, in a declining interest rate market, mortgages may not rise in value at the same proportion as other fixed income investments that have no prepayment risk.

Conversely, as interest rates increase, the value of a mortgage might decline faster than other fixed income investments. As interest rates increase, mortgagees (borrowers) have less of an incentive to prepay their mortgages and investors (lenders) will more likely receive principal and interest payments over the original loan term. With future cash flows now discounted over the full contractual time period and at a higher rate than mortgages' contractual rates, the value of the mortgages will decline.

Credit and Default Risk. Investments in mortgages secured by income producing properties entail credit risk. Credit risk is the risk that a borrower will fail to make interest and principal payments and it is measured not only by a borrower's ability to pay but also their intent to make these payments in a timely manner. In the event that a borrower defaults on the mortgage, we, on behalf of our clients, would have to foreclose on the borrower or take a deed in lieu of foreclosure thereby becoming an owner of the secured property instead of a lender. In that event, we would generally seek to position the property for sale when feasible and most advantageous to the fund (or client, for a separate account).

Cost Risks on Construction Loans. On development and redevelopment projects, there may be cost overruns due to market pricing increases, labor and material shortages, unanticipated expenses, poor workmanship, unforeseen weather, subcontractor failure, or poor execution. To manage this risk, project costs are analyzed, budgeted, and reviewed by third party construction experts, and, in some instances, an affiliate of the borrower is required to provide a completion guarantee. In addition, on many construction loans, we will require that the majority of the costs be confirmed and contracted prior to closing the loan.

Illiquidity Risk. Although cash flow from mortgage payments may be available to provide some liquidity, investments in private commercial real estate loans should be considered highly illiquid and may not be appropriate investments for clients who have short term or liquid investment objectives.

- *Real Estate Equity Strategy Risks*

Cost and Execution Risks on Development or Redevelopment Properties. There may be cost overruns due to market pricing increases, labor and material shortages, unanticipated expenses, poor workmanship, unforeseen weather, subcontractor failure, or poor execution. Purchasing property prior to completion of development and construction, investing in proposed development or redevelopment projects, or making equity-like investments structured as loans relating to properties under development or redevelopment, is subject to greater risks than investing in completed properties with operating histories. To manage this risk, project development costs are analyzed and reviewed by third-party construction experts who monitor construction progress. In some instances, the developer or an affiliate may be asked to provide a cost guarantee.

Market Risks. Properties are subject to competition from existing or recently constructed buildings. To manage this risk, underwriting takes into consideration known and anticipated competition.

Economic Risks. Property performance and value will be impacted by changes in the economy. Real estate values may increase or decrease over time. Valuation metrics may change as perceived risk, investor confidence, return expectations, or relative performance of alternative asset classes change. To manage these risks, our investment underwriting focuses on cash flow, and investments are generally diversified by property type, location, and life cycle stage.

Leasing Risks. The strategy considers the degree of leasing or, in the case of development projects, preleasing, in place at the time of the investment. However, given certain conditions, investments may be made without leasing. Investment projects may include build-to-suits, expansions of existing leased properties, and possibly speculative developments within permitted property types. If such properties do not get leased when completed, or if vacancies increase in previously leased operating properties, income from the properties will decrease resulting in lower income returns, which may also impact appraisal valuations.

Leverage Risks. The equity real estate portfolios may utilize third party debt to acquire, refinance or develop individual properties, or for portfolio needs as a whole. Third party debt secured by individual properties will generally not exceed 65% of the current MAI appraised value at the time the debt is obtained or 65% of the acquisition price if debt is assumed on a new acquisition, and an updated appraisal is not ordered by WaCap at the time the property is acquired. Leverage is utilized with the goal of enhancing returns on the portfolio, but leverage may also increase risk. Leverage may also amplify negative appreciation when property values fall, especially in periods of economic downturns, if property income is insufficient to service the debt. Use of leverage will subject an investment to risks normally associated with debt financing, including the risk that cash flow will be insufficient to meet required payments of principal and interest, the risk that indebtedness on investments will not be able to be refinanced at maturity, or the risk that the terms of such refinancing will not be as favorable as the terms of the existing indebtedness. As debt is typically valued monthly to reflect changes in market interest rates, the risk exists that the portfolio may incur unrealized valuation losses associated with loan valuations in a declining interest rate environment. Leverage may also result in increased volatility of values and returns.

Illiquidity Risk. Although cash flow from real estate equity property income may be available to provide some liquidity, investments in commercial real estate should be considered highly illiquid and may not be appropriate investments for clients who have short term or liquid investment objectives.

- *Real Asset Opportunities Strategy Risks*

Depending on the underlying real asset investment fund in which a Feeder Fund is invested, the risks will be different. Clients should carefully read the Feeder Fund's confidential private offering memorandum that details the terms of the Feeder Fund's governing agreement, risk factors, conflicts of interest, and includes the confidential offering documents of the specific underlying real asset investment fund in which the Feeder Fund is invested as well as the limited liability company agreement or JMT agreement, as applicable, for a detailed discussion of additional specific risk factors associated with a particular Feeder Fund or investment strategy.

Given that each of the Feeder Funds invests in a privately offered real asset investment fund, the real asset strategy risks described below generally apply to each Feeder Fund, and each Feeder Fund is also subject directly and indirectly to the risks of the underlying real asset investment fund in which the Feeder Fund is invested.

WaCap provides a due diligence review of an investment fund to determine whether we believe it is an appropriate option for an Eligible Investor to consider.

Illiquid and Long-Term Investment. Prospective investors should consider an investment in a Feeder Fund to be highly illiquid and may not be an appropriate investment for someone with short-term or liquid investment objectives. Generally, an investor is not permitted to withdraw any amounts from a Feeder Fund, and the Feeder Fund's interest in the underlying real asset investment fund may not be sold or transferred without the consent of the underlying real asset investment fund's general partner. Accordingly, an investment in a Feeder Fund requires a long-term commitment with no certainty of return, and investors will not be able to liquidate their interests when they might wish to do so. There is no public market for the interests in a Feeder Fund and none is intended to exist.

No Withdrawals from the Fund and No Assurance of Cash Distributions. An investor in a Feeder Fund is not permitted to withdraw any amount from the Fund. A Feeder Fund's sole source of revenue will be cash distributions from the underlying real asset investment fund in which the Feeder Fund is invested. Accordingly, the Feeder Fund's ability to make distributions to investors will be solely dependent on the Feeder Fund receiving cash distributions from the underlying real asset investment fund. The amount and timing of these cash distributions are uncertain and are determined solely by the underlying real asset investment fund's general partner.

Lack of Diversification. A Feeder Fund's performance will be limited solely to the success or failure of the Underlying Fund in which it is invested. This is because the Feeder Fund will invest substantially all of its investible assets in a single underlying real asset investment fund (the "Underlying Fund") and, accordingly, the Feeder Fund's sole investment asset will be its interest in the Underlying Fund. There is no assurance as to the degree of diversification that will be achieved by any Underlying Fund with respect to its portfolio investments, or that such diversification will protect the Feeder Fund's investment in the Underlying Fund from any potential adverse effect on the Underlying Fund's portfolio or target sector. Each Underlying Fund's investment portfolio will primarily consist of real asset related debt and equity investments generally depending on its specific real asset investment strategy. Due to a lack of diversity, poor performance within an Underlying Fund's portfolio or the real asset sector in general will significantly affect the total returns achieved by a Feeder Fund. From an asset allocation standpoint, an investment in a Feeder Fund should not be viewed as a standalone investment that will provide an investor with a diversified portfolio of investments.

Ongoing Requirement to Contribute Capital. Under each Feeder Fund's governing agreement, investors are required to make capital contributions to the Feeder Fund (up to the total amount of their capital commitment) upon request from WaCap. Each request must be fulfilled by the investors in as little as seven or eight business days. The failure of an investor to make timely capital contributions to the Fund may have a material and adverse effect on the value of the Feeder Fund's investment in the Underlying Fund and subject the Feeder Fund to liabilities under the Underlying Fund's governing agreement. Furthermore, if an investor fails to make a required capital contribution, the Feeder Fund may incur substantial expense in enforcing its rights to collect such capital contribution. The failure to receive such capital contribution or expenses

incurred to collect such capital contribution may likewise have a material and adverse impact on the Feeder Fund's financial condition.

No Control Over the Fund or Underlying Fund. Investors in a Feeder Fund will have no part in the control and management of the Feeder Fund. In addition, the investors in a Feeder Fund will have no ability to make decisions with respect to the acquisition, management, disposition, or realization of any investment by the Underlying Fund. While WaCap may form an advisory committee comprised of representatives of a Feeder Fund's investors, WaCap is not required to form or use the advisory committee. Any decisions of the advisory committee are- unless otherwise specified by WaCap, in its sole discretion- advisory and non-binding in nature.

Furthermore, neither the Feeder Fund nor WaCap has any control over the development and execution of any Underlying Fund or over the investment of the assets of any Underlying Fund. The Underlying Funds are managed by unaffiliated independent investment managers that are responsible for all the investment decisions. Each Feeder Fund is completely dependent upon the analytical skills and expertise of the personnel and management of the Underlying Fund to develop such strategy and to make such investments described in the Underlying Fund's private offering documents. There can be no assurance that such key personnel will continue to be available to the Underlying Fund throughout the life of the Feeder Fund. The death, incapacity, or retirement of any of the key professionals of any Underlying Fund may adversely affect investment results of a Feeder Fund.

WaCap is not likely to be aware of any activities of any Underlying Fund or of its management, including, without limitation, such management's engagement in transactions that involve conflicts of interest, investment "style drift," investments outside of or in violation of risk parameters or concentration limits described in the Underlying Fund's private offering documents, or even fraud. As a result, there can be no assurance that an Underlying Fund or its management will conform their conduct in a manner that is consistent with the expectations of the Feeder Fund, WaCap, or the terms of the Underlying Fund's private offering documents.

Potential Reinvestment of Proceeds and Return of Distributions. As provided in each Underlying Fund's governing agreement and offering documents, proceeds from an Underlying Fund's investments may be reinvested by the Underlying Fund or used to pay the Underlying Fund's expenses instead of being distributed to a Feeder Fund. The Underlying Fund's governing agreement and offering documents also provide that distributions made by the Underlying Fund to its limited partners (including the Feeder Fund invested in such Underlying Fund) may be subject to recall by the Underlying Fund's general partner to discharge the debts or obligations of the Underlying Fund. In such event, the Feeder Fund will need to recall from its investors the amounts of the distributions being recalled by the Underlying Fund from the Feeder Fund that the Feeder Fund distributed to its investors. Accordingly, investors in a Feeder Fund may be required to return distributions to the Feeder Fund even if they have made capital contributions in the total amount of their capital commitments.

Feeder Fund Fees. A Feeder Fund's investment in an Underlying Fund, including whether or not the Feeder Fund's investment loses value in a particular year or over the term of the Feeder Fund, each of WaCap, the Feeder Fund's service providers, and each of the service providers to the Underlying Fund will be entitled to its fees and other compensation. All fees and expenses payable by a Feeder Fund to the Underlying Fund as a limited partner under the Underlying Fund's governing agreement, and by investors to the Feeder Fund under the Feeder Fund's governing agreement, will be due regardless of the performance of the Underlying Fund or the Feeder Fund's investment in the Underlying Fund.

The advisory fees payable by each investor in a Feeder Fund to WaCap are based on the management fee payable by the Feeder Fund to the Underlying Fund's general partner, which in turn is based on the applicable management fee percentage of either the Feeder Fund's invested capital in the Underlying Fund or the Feeder Fund's pro rata portion of the cost basis of the investments held by the Underlying Fund, as provided in the Underlying Fund's governing agreement and as supplemented by any side letter between the Feeder Fund and the Underlying Fund. Accordingly, in each case, the advisory fees are payable regardless of the investment performance of the Feeder Fund and the Underlying Fund.

Cayman Islands Law and Regulatory Oversight. Certain Underlying Funds are organized under the laws of the Cayman Islands, which differ in significant respects from laws of the United States. Cayman Islands law, particularly with respect to limited liability companies and exempted limited partnerships, has developed significantly over recent years to address potential historical issues relating to enforceability, but many of these provisions remain untested in court. As an investor in a Cayman Islands domiciled limited partnership, each Feeder Fund will be indirectly subject to the Cayman Islands legal and regulatory regimes governing the Underlying Fund's operations. Any failure of enforceability of the Underlying Fund's governing agreement could be disruptive to the smooth operation of the Underlying Fund (and the Feeder Fund invested in such Underlying Fund) or otherwise frustrate the expectations of the limited partners of the Underlying Fund (including the Feeder Fund invested in such Underlying Fund). The investment funds industry in the Cayman Islands is governed by a broad range of statutes, regulations, directives, and inter-governmental agreements and continues to be an evolving area of law which is subject to modification by government and judicial actions. It is possible that anticipated changes to the regulation of an Underlying Fund in the Cayman Islands will adversely affect the Underlying Fund's performance or increase the Feeder Fund's reporting obligations.

- *Growth Equities Risks*

We invest only in equities traded on U.S. exchanges, so our products are not diversified over multiple asset classes. If the U.S. equity market declines significantly, we expect that our products will also decline in value. Securities are not guaranteed, and you could lose money on your investments.

Although we strive to invest in acceptably liquid shares, we may invest in small cap companies that can have limited liquidity and in which liquidity availability can change over time. In a market where shares become less available, it might not be possible to sell shares without lowering the price of the investment.

Our analysis of the global growth trends may not come to fruition, and growth may not continue in the trajectory that we originally expected. Slowing growth can cause the value of certain of our investments to decline.

Our analysis of the growth opportunity or of the financial strength of a particular company may be incorrect, causing the value of the investment to decline.

From time to time, management teams for the companies we invest in could be erroneous or dishonest about their predictions for the firm's future growth, in a way that we may not be able to independently identify. Any change in the company's expected outlook could be detrimental to the value of the investment.

- *Value Strategy Risks*

Generally speaking, risks and rewards will be broadly similar to those for the U.S. stock and investment grade bond markets. In the past, the U.S. stock market has experienced huge losses. Bonds can also experience prolonged periods of underperformance, especially in times of inflation. Securities are not guaranteed, and you could lose money on your investments.

An important additional risk relates to our investment team. Over time, there have been periods of underperformance. Since investment professionals are human and the future is unknowable, there is risk of future periods of underperformance.

Value strategies emphasize present and future valuation factors and issues. The goal is to invest in assets which are cheap to valuation factors and to sell at much higher prices. Cheap stocks are cheap for a reason and can get cheaper or stay cheap if problems persist or, worse yet, grow. Prices are set in the marketplace by a wide range of participants who might not agree with the conclusions of the portfolio manager, and, thus, the expected appreciation may not materialize.

Asset allocation and other asset weightings are set by the portfolio manager's estimate of the future with monies shifted from low return expectation areas to those with superior prospects. Once again, the manager could be wrong, or the marketplace may not follow the manager's conclusions.

Risk is managed by diversifying the portfolio. This is generally effective, but there are periods in which all assets fall, so it does not always work. Sometimes investments are more interrelated than they appear, and so diversification may be overestimated. The manager also tries to build a margin of error into their estimates,

which may or may not be sufficient. Finally, the value portfolio manager is biased toward risk aversion, recognizing that losses may have a bigger impact than superior returns. This bias might not be adequate to protect asset values in a difficult market environment.

- *Fixed Income Risks*

Interest Rate Risk. Interest rates can change on a day-to-day basis. Interest rates also serve as the discount rate for any future cash flows generated from a bond investment. In essence, the price of a bond can change on a daily basis as interest rates fluctuate. This daily price movement can cause fixed income investments to have unrealized losses from changes in interest rates. If the security is sold before the final maturity date, then there is also the potential to incur realized losses if the interest rate on the sale date is higher than the original purchase date. Generally, an increase in interest rates is due to an increase in the expected future inflation rate in the economy. Securities are not guaranteed, and you could lose money on your investments.

Convexity Risk. Investments in mortgage-type securities will entail prepayment or convexity risk. Generally speaking, as interest rates decline, bond prices should increase as the cash flows are now discounted by a lower interest rate. However, lower interest rates can entice mortgage holders to refinance their mortgages. Hence, mortgage bond holders might receive their investments back ahead of the maturity date and will receive the principal at par. This pricing generally caps the price appreciation of mortgage securities under a declining rate environment.

Conversely, as interest rates increase, the price of a mortgage bond might decline faster than other fixed income investments. As interest rates increase, mortgage bond holders have less of an incentive to prepay their mortgages and investors will now have a longer time period to receive their principal payments. With more future cash flows now discounted by a longer and higher interest rate, the price of the mortgage bond will decline more than other fixed income investments that have no prepayment risk.

Credit Risk. Investments in credit bonds entail credit risk. Credit risk is the risk that a borrower will fail to make interest and principal payments and is measured not only by an issuer's ability- but also its intent – to make these payments in a timely manner. The higher the credit risk of a particular issuer, the more yield investors will demand to own the bond. The increase in this yield premium will lower the price of the bond, all else being equal. Conversely, investors who purchase bonds from borrowers in good standing and with solid credit histories will accept less yield to own the bond, resulting in a higher price.

- *General Risks*

Reliance on WaCap Personnel. Except for the separate accounts WaCap manages on a non-discretionary basis and the underlying investment funds in which each Feeder Fund is invested, WaCap has complete discretion and management responsibilities in managing the business and investments of every JMT Fund, the comingled mortgage real estate fund, and each separate account. The success of each Fund and separate account depends in part on the skill and expertise of the key personnel of WaCap. There can be no assurance that any specific professionals will continue to be associated with these Funds and separate accounts. The operations of the Funds and separate accounts could be adversely affected by the death, incapacity, or retirement of a key person or if a significant number of other professionals leave their positions with WaCap, and their roles and responsibilities are not adequately covered.

Situations may arise in the future in which such responsibilities to a particular fund and/or separate account will compete for the time and attention of WaCap to the detriment of another fund and/or separate account.

Prohibited Transactions Under ERISA and the Code. Each JMT Fund, Feeder Fund and many separate account's assets are treated as plan assets of each investor that is subject to ERISA (an "ERISA Investor"), and WaCap serves as a fiduciary of the ERISA Investors.

As a fiduciary, WaCap would be a "party in interest" and a "disqualified person" with respect to the ERISA Investors and WaCap could enter into transactions that would be prohibited transactions under Code Section 4975 of the Code and Section 406 of ERISA. Also, certain arrangements, such as WaCap's compensation, could be prohibited transactions if they are not within the terms of applicable exemptions. WaCap at all times

attempts to avoid prohibited transactions. Avoidance of prohibited transactions could preclude making certain investments or arrangements relating to investments. For ERISA Investors, penalties and excise taxes may be imposed on parties in interest involved in the transactions, and the transactions may have to be corrected. Corrections could directly and adversely affect a Fund or separate account. Liability imposed on WaCap could indirectly affect management of a Fund or separate account.

Management Fees Payable Regardless of Performance. Regardless of the performance of a Fund or a separate account's investments, WaCap will be entitled to the management fee specified in the Fund's governing agreement, the Investment Management Agreement for the separate account, other advisory or management agreement between WaCap and a client or the LLC operating agreement.

Cybersecurity. The operations of WaCap are dependent on technology information and communication systems. A failure of any such system or a security breach or cyber-attack could significantly disrupt WaCap's operations, including those of any Fund. The service providers of WaCap and the Funds are subject to the same cybersecurity threats as WaCap and the Funds. If a service provider fails to adopt, implement, or adhere to adequate cybersecurity measures - or if the service provider suffers a breach of its networks - information relating to any separate account, Fund, or investment held by a Fund, or the operations and personal information relating to investors could be lost, damaged or corrupted or improperly accessed, used, or disclosed.

Any system failure, security breach or cyber-attack on WaCap, any of our service providers, or any service provider to a Fund or underlying investment owned by a Fund, could cause WaCap, any Fund or any investment held by any Fund to suffer, among other things, financial loss, disruption to their respective businesses, including their trading capabilities and the ability to transmit payments, including to its investors, increased operating costs, liability to third parties, regulatory intervention, and reputational damage. Such a failure could have a material adverse effect on a client, a Fund, or on investments held by a separate account or Fund.

Please note that while this Item 8 contains a discussion of some of the risks associated with investments in our various Funds and separately managed accounts, it is not possible to identify all of the risks associated with investing. The particular risks applicable to a client account will depend on the nature of the account, its investment strategy, or strategies and the types of securities held.

WaCap's various Funds and separately managed accounts are generally not intended to provide a complete investment program for a client or investor. Clients are responsible for appropriately diversifying their assets to guard against the risk of loss.

ITEM 9**DISCIPLINARY INFORMATION**

WaCap is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. At this time, we do not believe there is any litigation which is material to our securities investment responsibilities. We have in the past, are currently, and may in the future be involved in legal proceedings particularly in the area of real estate investing, generally as a result of enforcing the terms of leases and/or commercial mortgage loans held as investments as well as property related incidents.

ITEM 10**OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS**

Certain management personnel of WaCap are also officers of the various limited liability companies or incorporated entities formed to hold real estate equity or debt investments within our client real estate portfolios as well as for the limited liability companies formed for the commingled investment vehicles established as Feeder Funds. These personnel do not earn any additional compensation for these duties, which are performed as part of their investment management responsibilities at WaCap.

Cory A. Carlson, management personnel of WaCap, is related through common ownership and control to Milestone Company, an asset management company formed to create and package limited partnerships (or similar pooled investment vehicles hereinafter referred to as "entities") for investment purposes. Cory A. Carlson acts as general partner or manager of these entities. Advisory clients of our firm are not solicited to invest in these entities. A potential conflict of interest could occur if an investment that Milestone Company were pursuing would also be a potential investment opportunity for the clients of WaCap. We have adopted a policy to address this conflict, whereby investments over \$5 million made by Milestone will be reviewed for conflict with our portfolio investments and will be approved or disapproved by our Chief Compliance Officer or Chairman prior to investment by Milestone/Mr. Carlson.

Certain WaCap employees have outside investments that include real estate, typically through an LLC. Advisory clients of our firm are not solicited to invest in these entities. A potential conflict of interest could occur if an investment that the employee was pursuing would also be a potential investment opportunity for the clients of WaCap.

ITEM 11

CODE OF ETHICS, PARTICIPATION, OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

WaCap has adopted a Code of Ethics ("Code") which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. We owe a duty of loyalty, fairness, and good faith towards our clients and have an obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code. A copy of our Code is available to our advisory clients and prospective clients without charge upon request. To request a copy please email tvoll@wa-cap.com or call us at 206-382-0825.

Our Code of Ethics includes policies and procedures for the review of securities transactions made by our access persons. Employees considered access persons are required to obtain pre-approval for transacting in reportable securities. Our Code of Ethics also requires all employees to obtain the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. The Code also provides for oversight, enforcement, and recordkeeping provisions.

Our Code of Ethics further includes a policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded in the Code and in our training that such information cannot be used in a personal or professional capacity.

We, and individuals associated with us, are prohibited from engaging in principal transactions unless appropriate reviews, approvals, and disclosures are made.

We, and individuals associated with us, are prohibited from engaging in agency cross transactions. We are not a registered broker-dealer and do not have an affiliated broker-dealer.

Our Code of Ethics is designed to ensure that the personal securities transactions, activities, and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients, and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Subject to the pre-approval requirements noted below, we and/or our access persons can buy or sell, for their personal account(s), securities identical to or different from those recommended to our clients. In addition, a related person(s) may have an interest or position in a certain security(ies) which might also be recommended to a client.

It is the expressed policy of our firm (as noted in the Code) that no access persons may knowingly purchase or sell any security prior to a transaction(s) being implemented for one or more client accounts, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory client accounts. Our access persons are generally not granted approval to transact in a security the same day the security is being transacted in any advisory client account.

WaCap manages the JMT Funds, Feeder Funds and other separately managed accounts, and could in the future create and manage other investment funds and separate accounts, including funds that make direct investments

and funds that are Feeder Funds established to invest in Underlying Funds managed by other investment managers (such as separate accounts and investment funds, collectively, “Other Funds”) or engage in other business activities even if other activities could be in competition and/or involve substantial time and resources of our firm.

Some of the Other Funds have, and Other Funds which might be established in the future, may or may not have investment strategies and objectives similar to those of a Feeder Fund and any Underlying Fund. WaCap’s management of Other Funds, whether in existence now or in the future, requires and will require the time and attention of WaCap, possibly to the detriment of an existing Fund or separate account. Such Other Funds could also compete with an Underlying Fund for investments and opportunities to invest.

Investments in the JMT Funds are recommended to advisory clients for whom we believe a pooled investment might be more suitable than a separate advisory account managed by us. Clients who invest in the JMT Funds are charged advisory fees based upon their assets under management within the JMT Funds per their negotiated fee agreement with us.

WaCap is engaged directly with separately managed accounts or indirectly with other investors to invest through a Feeder Fund in privately offered real asset investment funds managed by independent unaffiliated investment managers. WaCap employees, as part of their role in oversight and evaluation of these Underlying Funds, attend annual meetings held by the Underlying Funds. Typically, the Underlying Funds hold these meetings in various locations, and offer to cover the local hotel, meals, and occasionally local transportation for all participants attending these meetings. WaCap attends these meetings and accepts when offered the basic accommodations, meals during meetings, and local transportation as long as such amenities are offered to all participants, and no special dispensation is otherwise offered to or accepted by WaCap or its employees.

WaCap employees can sit on outside committees in a professional role. While on these committees they can be provided with the offer to cover the travel, local hotel, meals, and occasionally transportation for all participants attending these meetings. In these situations, a WaCap employee will accept when offered the basic accommodations, meals during meetings, and local transportation as long as such amenities are offered to all participants, and no special dispensation is otherwise offered to or accepted by WaCap or its employees.

Additionally, one or more WaCap employees serve on advisory boards or investment committees of Underlying Funds and, pursuant to the Underlying Funds governing documents, are provided reimbursement for costs related to attending these periodic meetings and are entitled to indemnification for any losses in connection with their service on an advisory board or investment committee.

Investors in a Feeder Fund may have conflicting interests with respect to their investments in the Feeder Fund. These conflicting interests may relate to or arise from, among other things, the nature of the Feeder Fund’s investment in an Underlying Fund and the timing of disposition of such investment. While WaCap is responsible for the investment of the Feeder Fund in an Underlying Fund, WaCap is not responsible for taking into account any particular investor’s investment objectives or liquidity needs. Consequently, conflicts of interest could arise in connection with decisions to be made by WaCap that may be more beneficial for one investor in a Feeder Fund than for another investor in the same Feeder Fund.

There is the potential that the Underlying Funds offered by WaCap might co-invest or compete for real estate transactions that WaCap Funds (through the Trust) or a separate account client could be interested in investing in.

Although WaCap and its principals are obligated under each JMT Fund’s and Feeder Fund’s governing agreements to devote sufficient time to the business and affairs of these Funds, they will also continue to engage in other business activities such as management of separate accounts. Accordingly, conflicts of interest may arise in the allocation of management resources between WaCap’s management of Funds and WaCap’s other investment advisory business activities.

To address actual or potential conflicts of interest with our clients, we have established the following policies and procedures for implementing our Code of Ethics to ensure we comply with our regulatory obligations and to ensure we provide our advisory clients and potential advisory clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm can put their own interest above the interest of an advisory client.

2. No principal or employee of our firm can buy or sell securities for their personal portfolio(s) where their decision is a result of material non-public information.
3. No access persons employed by us can purchase or sell any security prior to a transaction(s) being implemented for an advisory account to prevent such employees from benefiting from transactions placed on behalf of client accounts. Our access persons are generally not granted approval to transact in a security the same day the security is being transacted in any advisory client account.
4. We maintain records of reportable securities transactions for our firm and for anyone associated with this advisory practice who has access to advisory recommendations ("access persons"). These transactions are reviewed on a regular basis by our firm's Compliance Department.
5. Our firm requires pre-approval for any initial public offering or private placement investment by all employees of the firm. Access employees are required to obtain pre-approval for reportable securities.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered except in situations where our firm is granted discretionary authority.
8. All our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. Our Code of Ethics is delivered to and acknowledged by each supervised person of our firm upon hire. Annually thereafter, each of our supervised persons must acknowledge that they have read, comprehend, and will abide by the Code of Ethics that is available electronically on our Intranet.
10. We have established policies requiring the reporting of Code of Ethics violations to our Chief Compliance Officer.
11. Any individual who violates any of the above restrictions may be subject to disciplinary action or termination.

ITEM 12**BROKERAGE PRACTICES**

WaCap, as a matter of policy and practice, seeks to obtain best execution for client transactions at all times (i.e., seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances).

We utilize broker-dealers chosen on the basis of criteria such as their recent involvement in trading a specific security, as well as their ability to execute quickly and professionally by accessing the electronic marketplace using algorithmic tools. Research ideas communicated to the portfolio management team are part of the criteria used to select a broker-dealer. We also utilize crossing networks and dark pools to effect the best combination of trading venues.

The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help us in providing investment management services to clients. We could, therefore, use a broker who provides useful research and securities transaction services, even though a lower commission might be charged by a broker who offers no research services and minimal securities transaction assistance. Research services can be useful in servicing all our clients, and not all of such research may be useful for the account for which the particular transaction was effected.

As a matter of policy, we utilize research, research-related products, and other brokerage services on a soft dollar commission basis for those research products and services which assist us in our investment decision-making process. Consistent with seeking best execution for clients, we may direct brokerage transactions for clients' portfolios to brokers who provide research and execution services to us and, indirectly, to our clients. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment our own internal research and investment strategy capabilities. This can be done without prior agreement or understanding by the client (and can be done at our discretion). Research services obtained through the use of soft dollars may be developed by brokers to whom brokerage is directed or by third parties which are compensated by the broker. Brokers who provide eligible research may also be compensated through commission sharing arrangements, whereby trades are directed to executing brokers and part of the commissions are credited to a commission sharing pool from which payments are made to the research brokers. Our soft dollar policy is to make a good faith determination of the value of the research

product or services in relation to the commissions paid, but we do not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research we receive will help us to fulfill our overall duty to our clients. We may not use each particular research service, however, to service each client. As a result, a client could pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client. Broker-dealers we select could be paid commissions for effecting transactions for our clients that exceed the amounts other broker-dealers would have charged for effecting these transactions if we determine in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or our overall duty to its (“brokerage”) discretionary client accounts.

Certain items which could be obtainable with soft dollars may not be used exclusively for either execution or research services. It is currently our policy to not obtain such “mixed-use” products or services with soft dollars. Should we obtain such products or services with soft dollars in the future, the cost of such “mixed-use” products or services will be fairly allocated, and we will make a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portions of the costs attributable to non-research usage of such products or services will be paid by us to the broker-dealer or third-party provider in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934.

When we use client brokerage commissions to obtain research or brokerage services, we receive a benefit to the extent that we do not have to produce such products internally or compensate third parties with our own money for the delivery of such services. Therefore, such use of client brokerage commissions results in a conflict of interest, because we could have an incentive to direct client brokerage to those brokers who provide research and services we utilize, even if these brokers do not offer the best price or commission rates for our clients.

Written discretionary authority for us to determine the broker-dealers to use and the commission costs that will be charged to our clients for these transactions is included in the investment advisory agreement with the client.

Products and services we obtain on a soft-dollar basis can include data services including market data, price quotes for stocks and other investment vehicles, news services that provide information relevant to the financial markets, analytical data regarding our performance relative to our benchmarks, and quantitative analysis of our holdings, including valuation metrics, SEC filings, earnings data and information, and other information relevant in making an informed investment decision. Other information we receive through soft dollar payments includes research from brokerage firms regarding financial markets, technical analysis, and fundamental research. Fundamental research includes information about specific stocks, industries, sectors, and the broader market which can include primary analysis that we may use as one factor in our investment decision making. Soft dollar payment amounts can take into account the value provided by brokers who set up meetings for us with market or stock analysts or management teams that could be relevant to our investment process. Additionally, these payments may take into account value gained from our ability to attend certain broker-sponsored conferences, which are forums where our analysts have meetings with, or listen to presentations by, management teams of companies we or our clients own or those in which we might, at some point, invest.

We will generally use block trades where possible and when advantageous to clients. Using block trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all client accounts included in any such block.

Block trading allows us to execute equity trades in a timelier, more equitable manner, at an average share price. We will typically aggregate trades among clients whose accounts can be traded at a given broker and may rotate or vary the order of brokers through which we place trades for clients on any particular day. Our block trading policy and procedures are as follows:

1. Transactions for a client’s account will not be aggregated for execution if the practice is prohibited by or inconsistent with the client’s advisory agreement.
2. The portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client’s investment objectives and with any investment guidelines or restrictions applicable to the client’s account.

3. The portfolio manager must reasonably believe that the order aggregation will benefit and will enable us to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a “20-20 hindsight” perspective. Best execution includes the duty to seek the best quality of execution.
4. Prior to entry of an aggregated order, an electronically written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
5. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day will be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account or to avoid excessive ticket charges in smaller accounts.
6. Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order and must share in the commissions on a pro rata basis in proportion to the client’s participation. Under the client’s agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
7. If the order will be allocated in a manner other than that stated in the initial statement of allocation, an explanation of the change must be provided to and approved by our Chief Investment Officer – Capital Markets or Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
8. Our client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
9. Funds and securities for aggregated orders are clearly identified in our records and to the broker-dealers or other intermediaries handling the transactions by the appropriate account numbers for each participating client.
10. No client or account will be favored over another.

Our authority can be subject to client-imposed conditions, such as where the client restricts or prohibits transactions in certain types of securities. In addition, our authority can also be limited in cases where a client directs that securities transactions be effected through a specific broker-dealer which could result in us being unable to seek best price and execution and could cause the client to forego benefits from savings on execution costs that might otherwise be obtained from aggregation of brokerage orders for clients.

ITEM 13

REVIEW OF ACCOUNTS

Portfolio Management Services

Reviews

Members of our Securities Investment Committee review top down macroeconomic and market trends, as well as specific security holdings within the context of their role in client portfolios. There is an emphasis on sharing market and security information that would be relevant to the buy/sell decisions for specific securities and sectors. The Chief Investment Officer – Capital Markets and the Portfolio Managers review client accounts to determine if the holdings in the aggregate are suitable for client needs. More frequent reviews can be triggered by material changes in variables such as the client's individual circumstances, the market, or the political or economic environment. Accounts are monitored continuously by the Portfolio Managers.

Our Real Estate Investment Committee reviews specific real estate equity and mortgage loan holdings within the context of their role in client portfolios and our real estate Funds. The voting members of the Real Estate Investment Committee approve real estate investments, both debt and equity, for WaCap’s commingled funds as well as separate client accounts in accordance with the Real Estate Investment Committee Operating Guidelines.

The Chief Investment Officer and the Portfolio Managers review the comingled funds and client accounts to determine if the holdings in the aggregate are suitable for client needs. Portfolio Managers continuously monitor the accounts, and the Real Estate Investment Committee reviews the comingled funds and separate client accounts on an annual basis. In addition to the eight permanent voting members, there are two additional rotating voting members that serve a four-month term. The current rotating voting members as of the date of this filing are shown below.

The Real Asset Committee reviews and approves real asset transactions involving managed assets in the WaCap Feeder Funds and separate accounts which are deemed different from transactions approved by the Real Estate Investment Committee. The committee provides a due diligence review of an investment fund to determine whether we believe it is an appropriate option for an Eligible Investor to consider. Examples of these types of transactions include, but are not limited to, transactions in funds managed by other Investment Managers. The committee reviews prospective third-party funds for investment and the appropriateness of transactions for suitability, risk, economics, and the history of the investment type of third-party funds.

The Advisory Services Committee reviews and approves consulting, fiduciary/investment management, and/or QPAM services for new and current clients. The primary focus is on Taft-Hartley union-related entities that require third party investment management services due to ERISA and/or DOL regulations.

Our Client Service Committee reviews client accounts and the overall client relationship, including the client's assets under management, fee rates, compliance with investment objectives and guidelines, and any other pertinent information.

The Client Approval Committee reviews and approves all new clients. Potential new clients are reviewed for any relationship and/or compliance concerns.

Reviewers for Securities Accounts. The Securities Investment Committee is comprised of:

- Michael S. Cheung.....Senior Vice President, Chief Investment Officer – Capital Markets
- Brian M. Canon Vice President, Senior Portfolio Manager, Equities
- Joyce L. Chiang Vice President, Credit Analyst
- Kirk A. Force Vice President, Data Management and Analytics
- Robert F. Kern Vice President, Portfolio Manager, High Yield
- Kevin H. Loucks Vice President, Senior Portfolio Manager, Fixed Income

Reviewers for Real Estate Accounts. Voting members of the Real Estate Investment Committee (REIC) are as follows:

- Patrick S. Malley.....Executive Vice President, Chief Investment Officer
- Cory A. CarlsonPresident and CEO
- Peter Bury.....Senior Vice President, Portfolio Manager, Real Estate Equity
- Mark D. Clifford Senior Vice President, Real Estate
- Thomas G. Fisher..... Executive Vice President, Senior Portfolio Manager, Real Estate Debt
- Jenny C. GageSenior Vice President, Real Estate, Asset Management
- Richard P. Leeret Senior Vice President, Real Estate
- Melvin C. Morgan.....Senior Vice President, Real Estate, Asset Management
- Selina Giaquinto (Rotating Member) Vice President, Real Estate
- Jenn Sweeney (Rotating Member) Vice President, Real Estate

Reviewers for Real Asset Accounts. Voting members for the Real Asset Committee (RAC) are as follows:

- Patrick S. Malley.....Executive Vice President, Chief Investment Officer
- Walter Bastis.....Vice President, Asset Management
- Cory A. CarlsonPresident and CEO
- Betty Chilese.....Senior Vice President, Portfolio Manager, Real Estate Debt
- Thomas G. Fisher..... Executive Vice President, Senior Portfolio Manager, Real Estate Debt
- Selina Giaquinto..... Vice President, Asset Management
- Melvin C. Morgan.....Senior Vice President, Real Estate, Asset Management

- Julie Railey.....Vice President, Portfolio Manager, Real Assets

Reviewers for Advisory Services Committee. Voting members for the Advisory Services Committee are as follows:

- Cory A. CarlsonPresident and CEO
- Patrick S. Malley.....Executive Vice President, Chief Investment Officer
- Paul G. RavettaExecutive Vice President, Chief Operating Officer
- Tracey L. Voll.....Senior Vice President, Chief Compliance Officer

Reviewers for All Accounts. The Client Service Committee is comprised of:

- Paul G. RavettaExecutive Vice President, Chief Operating Officer
- Cory A. CarlsonPresident and CEO
- Thandi N. Clements Senior Vice President, Chief Marketing Officer
- Robyn W. Grad Vice President, Marketing & Client Relations
- Stephen D. Hamilton.....Vice President, Marketing & Client Relations
- Steven H. Hanks..... Vice President, Marketing & Client Relations
- Brian B. Welch Vice President, Client Relations

Reviewers for New Accounts. The Client Approval Committee is comprised of:

- Cory A. CarlsonPresident and CEO
- Paul G. RavettaExecutive Vice President, Chief Operating Officer
- Tracey L. Voll.....Senior Vice President, Chief Compliance Officer

Reports

In addition to the monthly or quarterly statements and confirmations of transactions that clients receive from their custodians, we provide quarterly reports summarizing account performance, balances, and holdings.

ITEM 14

CLIENT REFERRALS & OTHER COMPENSATION

WaCap does not currently pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. If we were to engage any Solicitor, we would require the Solicitor to provide the prospective client with a copy of this Form ADV Part 2 (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- The Solicitor's name and relationship with our firm;
- The fact the Solicitor is being paid a referral fee and the amount of the fee; and
- Whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

If a client were to be referred to us by a solicitor, the advisory fee paid would not be increased as a result of a referral.

It is our policy not to accept or allow our related persons to accept any form of compensation - including cash, sales awards, or other prizes-from a non-client in conjunction with the advisory services we provide to our clients.

Any arrangement we enter into with a Solicitor will be in compliance with applicable federal regulations. Any solicitation fee will be paid pursuant to a written agreement retained by both us and the Solicitor, and disclosure of the agreement will be provided to the client prior to or at the time of entering into any investment advisory contract.

ITEM 15

CUSTODY

WaCap previously disclosed in the "Fees & Compensation" section (Item 5) of this Firm Brochure that we directly debit advisory fees from some or certain client accounts. As part of this billing process, the client and their custodian are advised of the amount of the fee to be deducted from that client's account. On at least a

quarterly basis, the custodian for a client account is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there is an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account reports directly to our clients on a quarterly basis. We encourage our clients to carefully compare the information provided in these reports to ensure that all account holdings and values are correct and current.

For certain separate managed real estate accounts, WaCap has custody of certain client accounts because it acts from time to time as agent with signatory authority on bank accounts through which various payments, client real estate purchases and sale transactions are processed. WaCap reports custody as the average month-end balances of bank accounts used to make payments and process real estate transactions for separately managed account clients. We believe the month-end bank account balances are an accurate measure of the dollar amount of client funds for which we have custody.

For Feeder Fund and certain private funds that we have custody of, custody includes the funded and uncalled commitments.

We engage an independent public accountant to conduct an annual surprise examination. The JMT Funds and our other private funds are also audited on an annual basis, as of their fiscal year end, by an independent public accountant. Investors receive a copy of the Fund's annual audit report.

ITEM 16**INVESTMENT DISCRETION**

Clients generally hire WaCap to provide services on a discretionary basis. With this discretionary authority, we transact on behalf of a client without contacting the client prior to each transaction to obtain the client's permission. Our discretionary authority includes the ability to effect the following without contacting the client:

- Determine the security or real estate investment to buy or sell;
- Determine the amount of the security or real estate investment to buy or sell; and/or
- Determine the broker with which to place the buy or sell.

In some cases, we are required to first recommend the real estate broker to the client and obtain the client's approval.

Clients give us discretionary authority when they sign the Fund's governing agreement, the Investment Management Agreement for the separate account, or other advisory or management agreement with our firm. Certain separate account clients can limit this authority by giving us written instructions. Clients can change/amend such limitations by providing us with written instructions. Changes require advance notice and generally an amendment to the Investment Management Agreement or the other advisory or management agreement.

ITEM 17**VOTING CLIENT SECURITIES**

WaCap routinely votes proxies on behalf of its client accounts. Our clients, however, can retain the right to vote proxies on their own by instructing us in writing to not vote proxies for securities held in their advisory account. We have retained Institutional Shareholder Services (ISS) to vote proxies on behalf of our clients subject to our review and approval. Approval is subject to reviewing the recommendations made by ISS and informing them if we would like a proxy voted in a different manner. ISS votes our proxies in accordance with Taft-Hartley (AFL-CIO compliant) or ISS Policy proxy voting guidelines. WaCap has a large base of Taft-Hartley clients that it votes with Taft-Hartley proxy voting guidelines. Taft-Hartley guidelines are the default policy. A separate account client can request that we use the Taft-Hartley or ISS Policy in proxy voting. New separately managed accounts are provided with a form to select the proxy voting guidelines they would like us to follow.

We will approve proxies which we believe are in the best interests of our clients and in accordance with our established policies and procedures. We will retain or maintain access to all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each

written client request for information on how WaCap voted proxies. If the VP, Senior Portfolio Manager, Equities, our employee responsible for proxy voting, has a conflict of interest in voting a particular action, the vote would be brought to our Executive Committee for a voting decision.

Clients can obtain a copy of our proxy voting policies and procedures by contacting our Chief Compliance Officer by telephone, email, or in writing. Clients can request, in writing, information on how proxies for their account were voted. If any client requests a copy of our proxy policies and procedures or how we voted proxies for its account(s), we will promptly provide such information to the client.

With respect to any client account that is subject to ERISA, we will vote proxies unless the plan sponsor reserves the right to vote proxies and advises us in writing to not vote proxies on its behalf. To direct us to vote a proxy in a particular manner, clients should contact our VP, Senior Portfolio Manager, Equities by telephone, email, or in writing.

We will neither advise nor act on behalf of a client to take lead action in legal proceedings involving companies whose securities are held in the client's account(s). We will make reasonable efforts to see that "Proofs of Claim" in class action settlements, for which we receive notice, are filed in a timely manner. "Proofs of Claim" are typically filed by the client's custodian.

ITEM 18**FINANCIAL INFORMATION**

WaCap has no additional financial circumstances to report. Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement. We have not been the subject of a bankruptcy petition at any time during the past ten years.