



Part 2A of Form ADV: Firm Brochure

Stockbridge Capital Group, LLC

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This brochure provides information about the qualifications and business practices of Stockbridge Capital Group, LLC ("Stockbridge"). If you have any questions about the contents of this brochure, please contact Stockbridge's Chief Compliance Officer, Daniel Newman, at (415) 658-3300 or newman@stockbridge.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Stockbridge also is available on the SEC's website at www.adviserinfo.sec.gov.

Any references to Stockbridge or its affiliates as a "registered investment adviser" or being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

Since the last Annual Amendment filed on March 31, 2023, Stockbridge Capital Group, LLC (“Stockbridge” or “we”) has made certain minor updates as well as the material changes summarized below which were included in the Other-than-Annual Amendment filing made on November 9, 2023. We recommend that you read this brochure in its entirety.

On October 31, 2023, Stockbridge acquired the 50% interest in Core and Value Advisors, LLC (“CVA”) then collectively owned by CVA’s senior professionals (the “Merger Transaction”). The Merger Transaction was entered into in connection with a minority, non-controlling investment in Stockbridge by an investment vehicle managed by Blue Owl GPSC Advisors LLC (Blue Owl Capital Inc.’s GP Strategic Capital platform) (the “Minority Investor”). As a result of the Merger Transaction, CVA is now 100% owned by Stockbridge, and Terrence Fancher, as Chief Executive Officer of Stockbridge, now ultimately controls both Stockbridge and CVA, although day-to-day management of CVA is provided by Sollie Raso as CVA’s Executive Managing Director. Item 10 was updated to add disclosure regarding Stockbridge’s ownership and control of CVA, as well as the Minority Investor’s investment in Stockbridge.

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Item 4 Advisory Business

Stockbridge Capital Group, LLC (“Stockbridge,” “we,” “our” or “us”) was formed in April 2003 to provide real estate investment advisory services and became registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”) in January 2009. Stockbridge is controlled by its Chief Executive Officer, Terrence Fancher.

Our investment advisory and supervisory services to clients (as defined below) are provided principally with respect to real estate properties and real estate-related assets and businesses. Our investment activities generally are separated into three broad real estate investment categories: core, value-added and opportunistic. For a further description of these categories, as well as information on the specific investment strategies we pursue and how we may tailor our services to meet the needs of our clients, please refer to “Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.”

Stockbridge provides investment advisory and supervisory services to the following commingled investment funds and related co-investment partnerships or vehicles:

- Stockbridge Real Estate Fund, LP, a Delaware limited partnership (“Fund I”);
- Stockbridge Real Estate Fund II, consisting of six parallel Delaware limited partnerships¹, each designed to meet the differing tax and regulatory needs of investors (collectively, “Fund II”);
- Stockbridge Real Estate Fund III, consisting of two parallel Delaware limited partnerships², each designed to meet the differing tax and regulatory needs of investors (collectively, “Fund III” and together with Fund I and Fund II, the “Opportunity Funds”);
- YES Communities, LLC, a Delaware limited liability company (“YES Communities”);
- PSERS YES Holdings, LP, a Delaware limited partnership (“PSERS YES Investor”);
- Stockbridge TI Fund, LP, a Delaware limited partnership (“TI Fund”);
- Stockbridge TI Series 2 Fund, LP, a Delaware limited partnership (“TI Series 2 Fund”);
- Stockbridge TI Series 3 Fund, LP, a Delaware limited partnership (“TI Series 3 Fund”);
- Stockbridge YBI Fund, LP, a Delaware limited partnership (“YBI Fund”);
- Stockbridge Strategic Industrial Venture, LLC, a Delaware limited liability company (“SSIV”);
- Stockbridge SIV Reno, LLC, a Delaware limited liability company (“SIV Reno”);
- Stockbridge NLP, LLC, a Delaware limited liability company (“Stockbridge NLP”);
- NLP Investor, LP, a Delaware limited partnership (“NLP Investor”);
- Stockbridge U.S. Logistics, LP, a Delaware limited partnership (“U.S. Logistics”);
- Stockbridge Helix Investor, LP, a Delaware limited partnership (“Helix Investor”);
- Stockbridge MORE Communities, LLC, a Delaware limited liability company (“SMORE I”);

¹ The six limited partnerships comprising Fund II are Stockbridge Real Estate Fund II-A, LP, Stockbridge Real Estate Fund II-B, LP, Stockbridge Real Estate Fund II-C, LP, Stockbridge Real Estate Fund II-D, LP, Stockbridge Real Estate Fund II-E, LP and Stockbridge Real Estate Fund II-T, LP (collectively, the “Fund II Constituent Funds”). The Fund II Constituent Funds invest alongside one another in all Fund II investments. References herein to Fund II include all of the Fund II Constituent Funds.

² The two limited partnerships comprising Fund III are Stockbridge Real Estate Fund III-A, LP and Stockbridge Real Estate Fund III-C, LP (collectively, the “Fund III Constituent Funds”). The Fund III Constituent Funds invest alongside one another in all Fund III investments. References herein to Fund III include all of the Fund III Constituent Funds.

- Stockbridge MORE Communities II, LLC, a Delaware limited liability company (“SMORE II”); and
- Stockbridge U.S. SFR Investor, LP, a Delaware limited partnership (“SFR Investor”)

We refer to the Opportunity Funds, TI Fund, TI Series 2 Fund, TI Series 3 Fund, YBI Fund, Helix Investor and any future similarly structured funds collectively herein as “Funds.” We refer to YES Communities, SSIV, SIV Reno, Stockbridge NLP, SMORE I and SMORE II collectively as “Platforms,” which are investment vehicles built around specific investment themes, property type(s) and/or management expertise of any operating partner. Platforms are typically structured as pooled investment vehicles with a limited number of investors or members (as applicable), including in some cases affiliates of Stockbridge. We refer to our Funds, Platforms, PSERS YES Investor, NLP Investor, U.S. Logistics, SFR Investor and separately managed accounts collectively as “clients.”

The Opportunity Funds are closed-end limited partnerships organized to operate as private real estate opportunity funds. While the investment strategy of each Opportunity Fund differs slightly, the Opportunity Funds have generally pursued investments in real estate assets that generally require substantial renovation, repositioning, strategic or “ground-up” development, redevelopment or land entitlement.

TI Fund was formed in 2016 to invest in horizontal land development on Treasure Island and Yerba Buena Island, San Francisco, California.

YBI Fund was formed in 2018 for the purpose of buying improved land on Yerba Buena Island in San Francisco, CA, and developing it.

YES Communities, qualified to be taxed as a real estate investment trust (a “REIT”), was formed in 2016 to acquire approximately 98.5% of the interests in YES Communities OP, LP (the “YES OP”), which in turn acquired manufactured homes communities and a business.

PSERS YES Investor was formed to invest in YES Communities.

SSIV, qualified to be taxed as a REIT, was formed in 2019. SSIV and its wholly-owned subsidiary, Stockbridge Strategic Industrial Venture OP, LP (“SSIV OP”), were formed to acquire, manage and dispose industrial properties located in the United States. SIV Reno was formed in 2019 in order to acquire, manage and dispose of industrial properties located in the United States.

Stockbridge NLP, qualified to be taxed as a REIT, was formed in 2019. Stockbridge NLP and its wholly-owned subsidiary, Stockbridge NLP OP, LP (“NLP OP”), were formed in order to acquire, manage and dispose of industrial properties located in the United States.

NLP Investor, LP was formed in 2019 to invest in Stockbridge NLP. U.S. Logistics was formed in 2020 to invest in Stockbridge NLP and in other industrial properties.

TI Series 2 Fund was formed in 2020 for the purpose of acquiring improved land on Treasure Island in San Francisco, California, and developing it.

Helix Investor was formed in 2020 for the purpose of investing in two life sciences real estate redevelopment projects.

TI Series 3 Fund was formed in 2021 for the purpose of acquiring improved land on Treasure Island in San Francisco, California, and developing it.

SMORE I and SMORE II, each qualified to be taxed as a REIT, and their subsidiaries, Stockbridge MORE Communities OP, LP (“SMORE I OP”) and Stockbridge MORE Communities OP II, LP (“SMORE II OP”) were formed to acquire, manage and dispose of single family rental communities located in the United States.

SFR Investor was formed in 2021 to invest in SMORE I and SMORE II.

With respect to SSIV, SIV Reno and Stockbridge NLP, Stockbridge entered into Services and Sub-advisory Agreements with an affiliate, Core and Value Advisors, LLC (“CVA”), for CVA to provide investment advisory services to each client. With respect to U.S. Logistics, Stockbridge and CVA jointly entered into an Investment Management Agreement with the client. With respect to SMORE I and SMORE II, Stockbridge entered into Services Agreement with an affiliate, MORE Residential Advisors, LLC (“MORE Residential”), for MORE Residential to provide asset management and investment sourcing services on behalf of SMORE I and SMORE II. For further information, please refer to “Item 10 – Other Financial Activities and Affiliations.”

We may form and manage additional investment funds in the future. We also advise separately managed accounts (each, an “SMA” and collectively, “SMAs”) for real estate investors (each, an “SMA Client” and collectively, “SMA Clients”). We provide advice to SMA Clients regarding investment of client funds in real estate assets based on such client’s individual investment needs. We work closely with SMA Clients to understand their goals and objectives and develop investment strategies that address the needs of the individual SMA Clients. SMA Client investment advisory agreements may provide for services relating to a single asset, may provide for services for a portfolio of assets, and may include investment guidelines, restrictions, and parameters designed to meet the client’s desired investment strategy and risk tolerance, which may limit investments to certain locations or types of assets and may also limit the extent of leverage. We typically produce an Annual Business Plan designed to implement the client’s goals, and also provide clients with quarterly and annual reporting concerning the investments, income and expenses of the account.

The organization of the assets within an SMA differs with each SMA Client, but typically includes one or a series of partnerships, limited liability companies or corporations (or a combination of the foregoing) owning real estate properties and other real estate and real estate-related assets and businesses. Stockbridge or an affiliated entity may serve directly or indirectly as general partner of one or more of the partnerships holding the assets within an SMA, or as managing member or manager of one or more of the limited liability companies holding the assets within an SMA. Our investment professionals may also serve as officers of any such entities, or as officers and/or directors of one or more corporations holding assets within an SMA. We may also assume management of an existing SMA that was previously managed by an unaffiliated manager.

Stockbridge tailors its advisory services to the specific investment objectives and restrictions of each client account as set forth in such client account's confidential private placement memorandum, limited partnership agreement, limited liability company agreement, investment management agreement and/or other governing documents including investor side letters (collectively, the "Governing Documents"). Investors and prospective investors of each client should refer to the applicable Governing Documents for complete information on the investment objectives and investment restrictions with respect to such client. There is no assurance that any of the client accounts' investment objectives will be achieved or that their investment strategies will be successful.

As of December 31, 2023, Stockbridge managed \$19,916,853,842³ of client assets, including \$3,763,393,461 of client assets managed on a discretionary basis and \$16,153,460,381⁴ managed on a non-discretionary basis.

Item 5 Fees, Compensation, Expenses and Other Fund Matters

Fees and Compensation

Different clients are subject to different management fees and performance-based compensation arrangements. In certain circumstances, the advisory fees payable to Stockbridge by individual investors in the Funds or Platforms (including affiliates of Stockbridge) are negotiable and/or waived. Investors and prospective investors in each client should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees. In addition to this brochure, all investors should review the Governing Documents for each client for more complete information on the fees and compensation.

Funds

Management Fees: Generally, for our services as investment manager of the Funds, we charge each of the Funds a management fee quarterly in arrears, which represents the cumulative total of the management fees paid by the Limited Partners in such Fund. The management fee paid by Limited Partners varies by Fund and by the size of a Limited Partner's investment therein, and is subject to negotiation in certain circumstances. We have also agreed to group the investments of several smaller investors together for the purposes of determining the applicable annualized fee.

Generally, annual management fees range from 0.75% to 1.50% and are calculated based on total capital commitment, invested capital, or unreturned capital contributions, depending on the Fund.

Carried Interest Distributions: The general partners of the Opportunity Funds, TI Fund, TI Series 2 Fund, TI Series 3 Fund, YBI Fund and Helix Investor are each entitled to receive carried interest distributions. Carried interest distributions for each of the Opportunity Funds, TI Fund, TI Series 2

³ The assets of SFR Investor, U.S. Logistics, NLP Investor and PSERS YES Investor have been excluded in calculating Stockbridge's regulatory assets under management to preclude double-counting of regulatory assets under management.

⁴ This amount includes the total assets of the Platforms co-managed with CVA. CVA also includes those assets in its own reporting of regulatory assets under management.

Fund, TI Series 3 Fund, YBI Fund and Helix Investor is equal up to 20% of profits⁵, but are calculated based on a distribution priority formula, such that no carried interest distributions are paid unless the Limited Partners have achieved a return of their invested capital and a specified annual “preferred” return rate. After achievement of this, or in certain cases a subsequent, higher “preferred” return rate, the distribution priority formula typically provides a “catch-up” mechanism, whereby the applicable general partner receives disproportionate distributions so as to “catch up” to its 20% share of the profits previously paid to the Limited Partners. With respect to Fund II, proceeds from the operation, disposition and/or refinancing of investments (including carried interest distributions, if any) are distributed on an investment-by-investment basis, however an escrow account and “clawback” mechanism are in place to generally ensure that the general partner does not receive cumulative carried interest distributions greater than those it would have received had the applicable distribution formula been applied on an aggregate basis covering all investments in the Opportunity Fund.

Our clients invest in assets with unaffiliated joint venture partners and/or managers (the “Partners”) that generally manage the day-to-day investment activities. Typically, a promoted interest is negotiated with the Partners at the outset of any transaction. This promoted interest, paid by the applicable joint venture and varying significantly by asset, is indirectly borne by the applicable client holding such asset.

Development Fee: The Fund III limited partnership agreement provides that the Fund III GP (as defined below) may provide pre-development, development, construction management, entitlement management or other similar services (collectively, “Development Services”) with respect to investments of Fund III, and may also contract with its affiliates (including Stockbridge) or third parties for the provision of such services. The Fund III GP or its affiliates (as applicable) is entitled to receive a development fee equal to 4% of all costs incurred by Fund III (or a Fund III portfolio company, as applicable) for the development, redevelopment or renovation of the properties with respect to which such services were rendered by the Fund III GP or its affiliates, excluding expenses incurred for land acquisition and financing. As of the date of this brochure, no Development Services have been provided by Stockbridge, or any of its affiliates, nor is it anticipated that such services will be provided.

Platforms

Management Fees: For our services under the Investment and Asset Management Agreements for the Platforms, we charge management fees quarterly in arrears of up to 0.60% of the aggregate committed capital of the shareholders or up to 1.25% of invested equity. Construction management fees may also be charged where Stockbridge or an affiliate actively perform oversight and other services related to assets being developed by third parties that are under contract to be acquired by a Platform.

Carried Interest Distributions: Affiliates of Stockbridge have a promoted interest in our Platforms and are entitled to receive carried interest distributions. The carried interest distribution varies by Platform but is up to 20% of profits above a specified return hurdle.

⁵ As used herein, “profits” refers to distributions in excess of return of capital.

Separately Managed Accounts

Stockbridge may earn fees on an investment-by-investment basis, including acquisition and disposition fees, financing fees, asset management fees and development fees (collectively “Investment Fees”). Fees may be collected monthly or quarterly, may be collected in arrears or in advance, and may be invoiced to the SMA Client or debited from an SMA Client’s account. All relevant terms will be agreed with the SMA Client in connection with entering into an SMA advisory agreement. Investment Fees may be fixed, a set percentage, or negotiated at the time of the applicable event. Percentage fees may be based on investment cost, project cost, financing proceeds, sales proceeds or another agreed basis.

Management fee arrangements may also include payment of an up-front “transition” or other fee in circumstances where we assume management of an existing SMA from an unaffiliated manager.

We may earn milestone, performance and/or incentive fees from SMA Clients (collectively, “Performance Fees”). Performance Fees may be computed based on a percentage of (i) realized or appraised appreciation (as applicable), (ii) cash flow and/or (iii) distributions from a property or portfolio, subject to (a) return of capital, (b) certain specified “hurdle” rates and/or (c) designated time periods. Performance Fees may be assessed on an asset-by-asset basis based on milestones defined with the SMA Client and may be a fixed rate or variable rate. Rates may vary between SMA Clients.

For our services, we may charge fees to an SMA Client in any or all of the manners described above, depending on the type and amount of assets contained in the SMA, the individual circumstances of the SMA Client and other relevant factors. All such fees will be subject to negotiation between the SMA Client and us.

Consulting and Administrative Services

We have in the past and may in the future provide consulting and administrative services to real estate investors with respect to real estate assets, properties and portfolios that are not managed by us. Our consulting and administrative services may include, among other things, (i) assessment of assets, properties or portfolios based on evaluation criteria agreed to with the client, (ii) assessment of managers, joint venture or operating partners, (iii) recommendations with respect to future actions, including capital investment and hold/sell decisions, and (iv) assistance with accounting and administrative support functions.

Our consulting and administrative services will be provided for fees based on the client’s specific circumstances. Our fees for consulting and administrative services may be based on hourly, daily, weekly or monthly rates for our services generally or for the services of specific professionals of Stockbridge, or may involve an overall fee for services rendered with respect to a particular asset or portfolio.

Consulting and administrative services fees will be agreed upon prior to entering into a consulting or administrative services arrangement with any client. Consulting and administrative services clients may be invoiced in arrears or in advance (as provided for in the applicable agreement). We

may also require an up-front retainer from consulting and administrative services clients in certain circumstances, however in no event will advance payment be accepted for consulting and administrative services work that will not be completed within six months. While there is no minimum fee for consulting and administrative services, we do not expect to accept such assignments where anticipated fees will not exceed \$250,000.

Expenses

Fund Expenses: To the extent applicable, the Funds (and therefore, indirectly, the investors in such Fund) are responsible for paying all organizational, partnership and administrative expenses and all other Fund expenses up to amounts indicated within the Fund's offering documents or limited partnership agreements. These expenses vary by Fund, but typically include, among other things: (i) administrative expenses related to the operation of the Fund (e.g., the fees and expenses of accountants, lawyers and other professionals incurred in connection with the Fund's annual audit, legal compliance, financial reporting, legal opinions, tax strategy and tax return preparation), including expenses of the relevant Fund's advisory committee; (ii) all fees, costs and expenses related to the acquisition, holding, leasing, financing, refinancing, re-development, development, management, repairs, improvements, monitoring and sale or other disposition of investments (including any legal, audit, travel, financing, appraisal, insurance, consulting, brokerage, engineering, environmental inspection, indemnification costs and expenses) and the identification, evaluation and negotiation of potential investments (including any due diligence costs or expenses of any third parties and the general partner or Stockbridge) regardless of whether the potential investments, dispositions, improvements, re-developments or developments are consummated; (iii) any custodial expenses for the safekeeping of cash, securities and other property and any expenses related to making temporary investments and any interest expenses; (iv) all fees, costs and expenses related to the offering of Fund Interests as indicated within the Fund's offering documents or limited partnership agreement; (v) the costs of forming, organizing and maintaining each subsidiary of the Fund; (vi) any extraordinary administrative or operating fees or expenses (e.g., litigation or indemnification expenses); (vii) expenses incurred in connection with the dissolution and liquidation of the Fund; (viii) management fees; (ix) expenses incurred in connection with the provision and maintenance of any director and officer liability insurance policies, general partnership liability insurance policies or other liability insurance policies relating to the Fund; and (x) any other customary expenses. The Opportunity Funds may from time to time make political contributions to support pro-business and pro-real estate development candidates and ballot measures in various jurisdictions where the Opportunity Funds do business. Such fees may be borne by the portfolio company or property and therefore indirectly by the Opportunity Funds. Salary and benefit expenses of employees of Stockbridge are not borne by the Opportunity Funds.

SMA Expenses: Each SMA Client negotiates with Stockbridge regarding the expenses that such client will pay, but these expenses may include all fees, costs and expenses related to the acquisition, holding, leasing, financing, refinancing, development, management, repairs, improvements, monitoring and sale or other disposition of investments (including any legal, audit, financing, appraisal, insurance, consulting, brokerage, engineering, environmental inspection and indemnification costs and expenses) and the identification, evaluation and negotiation of potential investments (including any due diligence costs or expenses of any third parties and Stockbridge). In certain cases, the SMA Client will bear the cost of travel related to the acquisition, monitoring, and

disposition of investments. Also, to the extent negotiated with the SMA Clients, such clients may also bear such costs regardless of whether the potential investments, dispositions, improvements or developments are consummated. The expenses that will be paid by each SMA Client may include additional or different expenses than the ones described herein and are documented in the relevant Governing Documents.

Platform Expenses: Pursuant to Stockbridge's agreements with YES Communities, PSERS YES Investor, SSIV, SIV Reno, Stockbridge NLP Investor, U.S. Logistics, SMORE I, SMORE II and SFR Investor, the clients have agreed to reimburse Stockbridge for any expenses that may be incurred by Stockbridge on behalf of the clients and for its reasonable out-of-pocket expenses incurred in providing investment and asset management services to the clients. The agreements provide that the clients will not reimburse for any costs and expenses relating to the general operation of Stockbridge's business, including but not limited to administrative expenses, employment expenses, office expenses and rent. However, in the case of SSIV and SIV Reno, and subject to approval by the Board of Directors, SSIV and SIV Reno may reimburse Stockbridge for certain employment and employment related expenses for employees fully dedicated to providing services to SSIV and SIV Reno.

If the expenses are associated with more than one client, Stockbridge will allocate the expenses in good faith and in a manner that is fair to all the clients incurring such expenses.

Other Fees and Expenses: While we do not anticipate that mutual funds will be included in any client portfolio, money market mutual funds may be used to "sweep" unused cash balances until they can be appropriately invested. Accordingly, clients should be aware that all fees paid to us are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses and, in certain cases, a distribution fee.

Clients are also responsible for the fees and expenses charged by custodians and imposed by brokers. Such fees may include, but are not limited to, any transaction charges, origination fees, fees for duplicate statements and transaction confirmations, and fees for electronic data feeds and reports.

Fees and expenses paid by vary by client and share class. Limited Partners or members (as applicable) should review the Governing Documents. SMA Clients should review their particular SMA advisory agreement (including, if applicable, our right to deduct fees directly from the SMA).

Other Fund Matters

Negotiability of Fees and Investment Minimums: All fees and investment and account minimums may be negotiable, and we have in the past and may in the future reduce or waive fees and account minimums by agreement with clients or investors, or otherwise at our discretion. Additionally, Stockbridge may in its discretion agree to group certain investors or clients together for the purposes of achieving a minimum account size or determining an annualized fee. Investment and account minimums may also be reduced or waived for our affiliates and employees.

Side Letters: The Opportunity Funds entered into separate agreements, commonly referred to as “side letters,” with certain Limited Partners to modify certain terms or add different terms than those specifically described in the applicable Governing Documents. Under certain circumstances, these agreements could create preferences or priorities for such investors. Except as otherwise agreed with an investor or required by applicable law, Stockbridge (or the applicable general partner) is not required to disclose the terms of side letter arrangements with other investors in the same client.

Termination of Relationship: Limited Partners or members (as applicable) in the Funds, Platforms, PSERS YES Investor, NLP Investor, U.S. Logistics and SFR Investor are requested to refer to the applicable Governing Documents for complete information on withdrawal of funds and the applicable commitment period and term of investment vehicle. Withdrawal of funds from, or transfer of interests in the Funds, Platforms, PSERS YES Investor, NLP Investor, U.S. Logistics and SFR Investor are generally restricted by the terms of the applicable Governing Documents.

For SMA Clients, the terms associated with the termination by either party of an SMA will be negotiated and contained in the SMA advisory agreement and, to the extent Stockbridge or its affiliates serves as general partner of any partnership and/or managing member of any limited liability company holding assets within an SMA, may also be contained in the applicable partnership agreement or limited liability company agreement for such entities. Upon termination of an SMA advisory agreement, any prepaid, unearned fees will be determined pursuant to the SMA advisory agreement and promptly refunded, and any earned, unpaid fees will be due and payable.

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

We accept performance-based fees from certain of the Funds and Platforms (in each case, in the form of carried interest distributions) and may accept such fees from SMA Clients. Clients with performance and incentive fees are managed side-by-side and have similar investment strategies as clients that do not pay such fees. Further information regarding performance-based fees with respect to each type of client is provided in “Item 5 – Fees, Compensation, Expenses and Other Fund Matters” above. Additionally, please refer to the Governing Documents of each client for more complete information on the performance-based allocation arrangements.

The acceptance of performance-based fees may create an incentive for us to recommend investments or take actions which may be riskier or more speculative than those that would be recommended under a different fee arrangement. Additionally, as certain of our investment professionals may manage one or more accounts that are charged a performance-based fee and others that are not charged such a fee, it may create an incentive for such investment professionals to favor the accounts in which we may receive a performance-based fee over those in which we do not receive such a fee. Please refer to “Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” for further information about potential conflicts of interest. Currently, Stockbridge does not have any clients with overlapping investment objectives that have committed capital available at the same time for which Stockbridge is sourcing investments. Please also refer to the language below, in “Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss,” for information about certain “programmatically” investments where future investment opportunities that arise through a particular Sponsor may be allocated to a designated client.

PERFORMANCE-BASED FEES WILL ONLY BE CHARGED IN ACCORDANCE WITH THE PROVISIONS OF RULE 205-3 OF THE INVESTMENT ADVISERS ACT OF 1940, AMENDED (THE “ADVISERS ACT”) TO THE EXTENT APPLICABLE AND/OR APPLICABLE STATE REGULATIONS.

Item 7 Types of Clients

We provide our services principally to institutional investors, including public and private pension funds, endowments, foundations and corporations or other businesses. In addition, we also provide services to certain high net worth individual investors.

The Opportunity Funds are closed to new investors, thus there is no applicable minimum investment. There is no stated minimum investment with respect to investment in TI Fund, TI Series 2 Fund, TI Series 3 Fund, YBI Fund, Helix Investor or the Platforms.

With respect to new SMA Clients, we generally require a minimum \$50,000,000 capital commitment to establish an SMA, but may waive this requirement under certain circumstances. Additionally, we may agree to group certain related SMA Client accounts together for the purposes of achieving the minimum account size.

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

Methods of Analysis

General

Our selection of target markets for investment opportunities is based on our review of real estate and macroeconomic research and the views of our investment professionals regarding the potential for favorable investment returns in various geographic markets and property types. We also consider input from prospective joint venture partners and real estate service providers (i.e., property management firms, real estate brokerage firms, developers, construction managers, etc.) who have broad experience in particular regions, markets or property types.

Prospective investment opportunities are generally sourced through the network of relationships our firm and our investment professionals have developed throughout the real estate industry, including existing operating and development partners, potential new operating partners, real estate brokerage and lending contacts, as well as relationships with various other real estate professionals. We expect to proactively identify investment opportunities that are not broadly marketed for sale and endeavor, where possible, to identify and execute real estate transactions outside of a competitive bidding process.

Our due diligence review of prospective investments includes a financial review of the asset or portfolio, including an assessment of the market or markets in which the investment is located. All prospective investments are toured by Stockbridge investment professionals. Our financial analysis may utilize various valuation benchmarks, including estimated internal rates of return, expected cash-on-cash yields, projected investment yields on either a leveraged or unleveraged basis or both,

testing of expected debt service coverage ratios and sensitivity analyses to consider investment returns based on a variety of potential scenarios. Where appropriate, we will utilize standardized financial, accounting and/or real estate software, such as ARGUS, to assist us in the development of financial forecasts and projections.

Sustainability Program

Stockbridge also believes that sustainability factors can have an impact on investment performance and should be considered when evaluating investment decisions and engaging in the day-to-day management of investments. Additionally, Stockbridge believes that a commitment to sustainability principles is not limited to the management of its clients' investments, but also extends to how Stockbridge operates. Stockbridge strives to take sustainability considerations into account in the operation of its business, with the goal of setting a positive example for those who conduct business with Stockbridge.

Stockbridge seeks to implement its Sustainability Policy and Procedures (its "Sustainability Program") and integrate sustainability into the day-to-day activities of its business by, among other things, requiring that its employees maintain consistently high standards of professional and business conduct. The purpose of the Sustainability Program is to define Stockbridge's approach to integrating the consideration of sustainability risks and value creation opportunities into investments made on behalf of its clients. The Sustainability Program describes how Stockbridge identifies, measures, manages and monitors sustainability risks. Platform Board of Directors and SMA Clients are consulted with to determine which elements of Stockbridge's Sustainability Program they wish to apply to their investments.

Stockbridge is committed to considering material sustainability issues in the course of its due diligence and in the monitoring of portfolio investments to the extent reasonably practical, subject to the provisions of the operating agreements, confidential private placement memorandums and investment management agreements applicable to its clients, and to maximize investment returns for its clients. Stockbridge believes that by properly evaluating sustainability factors in its acquisition analysis and asset management processes, it can better manage risks and opportunities while enhancing long-term returns for its clients. Emphasis is given to the evaluation of physical and transition risk in accordance with a client's resilience program which is aligned with the Task Force on Climate-Related Financial Disclosures (as defined in the Sustainability Program).

Investment Strategies

General

Clients managed solely by Stockbridge typically pursue a value-added or opportunistic investment strategy. However, Stockbridge may pursue other investment strategies. Clients solely managed by our affiliated advisor, CVA, will typically pursue a core, core plus or value-added strategy, though may also pursue other investment strategies. Our Platforms that are jointly managed by Stockbridge and CVA pursue a core/core plus strategy. Additionally, clients may focus on investments within one or more selected property types (such as office, industrial, residential, retail or hotel properties) or geographic regions, or those meeting other selected criteria. All of our clients will focus their investments principally on real estate properties, but certain clients may also invest in real estate-

related assets and businesses. Stockbridge may also enter into arrangements on behalf of clients, referred to as “programmatic agreements,” which enables a portfolio of assets to be assembled (generally including a seed portfolio and future acquisitions) through a designated investment entity or entities, through a series of developments or acquisitions or some other means.

Core: A core investment strategy generally involves the pursuit of real estate assets that are operationally stable and demonstrate high occupancy at acquisition, with low near-term rollover in leases. Core investments are generally located in primary markets (such as large cities or their suburbs) and are typically acquired in structures involving low to moderate levels of indebtedness. While a core portfolio will typically include a preponderance of core assets, it may also include certain non-core assets.

Core Plus: A core plus investment strategy involves the pursuit of real estate assets that are generally operationally stable and demonstrate moderate-to-high occupancy in the near-term. Core plus investments might have near-term rollover or a location within a secondary market that enhance investment risk and are typically acquired in structures with moderate levels of indebtedness.

Value-added: A value-added investment strategy generally involves the pursuit of real estate assets that demonstrate somewhat greater volatility than core or core plus assets. Such assets are often moderately to well-leased, but may require additional capital investment, renovation or repositioning to achieve greater occupancy. Additionally, value-added portfolios may include selected development or redevelopment assets, “distressed” assets or assets acquired from “distressed” sellers. Value-added assets may be located in primary or secondary markets and are typically acquired in structures involving higher levels of indebtedness than core or core plus assets. A value-added portfolio will typically include a preponderance of value-added assets, but may also include assets outside this category.

Opportunistic: An opportunistic investment strategy involves the pursuit of assets demonstrating higher volatility and risk than either core, core plus or value-added assets. Such assets may include both traditional and non-traditional property types, as well as “ground-up” development projects and land. Opportunistic assets may have minimal or no occupancy at acquisition and/or a high concentration of near-term lease rollover. Opportunistic assets may be located in any geographic market and are typically acquired in structures involving higher levels of indebtedness. An opportunistic portfolio will typically include a preponderance of opportunistic assets, but may also include assets outside this category.

While certain real estate investment strategies are intended to minimize risk, investing in real estate and real estate-related assets and businesses will involve the risk of loss that our clients and investors (or members as applicable) in our Funds or Platforms must be prepared to bear.

Clients

Funds: We pursue a value-added and opportunistic investment strategy on behalf of the Funds. This strategy includes the use of significant leverage and thus involves a high degree of risk. While the investment strategy of each of Fund differs slightly, each Fund pursues investments in real estate assets that generally require substantial renovation, repositioning, strategic development,

redevelopment or land entitlement. Investments include large, complex transactions requiring expertise across multiple property types and real estate disciplines, and may include real estate related businesses. The Funds invest in real estate development projects, including in “ground-up” developments (i.e., development projects on raw land on which there are no existing improvements). The Funds do not have specific diversification requirements as to property type or geographic region, although each of Fund I, Fund II and Fund III has restrictions as to the portion of capital commitments that may be invested in any single asset.

Platforms: YES Communities invests in manufactured homes community assets and businesses in the United States. SSIV, SIV Reno and Stockbridge NLP invest in industrial assets in the United States. SMORE I and SMORE II invest in single family rental communities in the United States. Each Platform is structured as a pooled investment vehicle and includes a limited number of investors or members (as applicable). The Platforms seek to maximize total returns to investors through a combination of cash distributions and capital appreciation. The Platforms are managed by Stockbridge on a non-discretionary basis, with certain services being provided by CVA and MORE Residential.

Separately Managed Accounts: The investment strategy of SMAs will vary based on the goals and objectives of the SMA Client. Through discussions with an SMA Client, in which the SMA Client’s goals and objectives with respect to the SMA are established, we will develop an investment strategy for the SMA and then create and manage the SMA based on that strategy. In certain cases, prospective SMA Clients may already have an investment strategy in mind (or in circumstances where we are assuming control over an existing SMA, a strategy for the SMA may already be in place) and we will implement that strategy, subject to modifications agreed to between the SMA Client and us. We may manage certain SMAs on a discretionary basis and others on a non-discretionary basis (in each case, subject to discussions with the SMA Client) and (as applicable) customize SMAs based on an SMA Client's investment guidelines and restrictions, leverage expectations and risk tolerance.

Risk Factors

Investments in real estate properties and real estate-related assets and businesses involve various risks, and we make no guarantees or assurances that our clients will achieve their investment or return objectives. Risk factors associated with the investments of our clients include the following:

Bank Failures: The economic and regulatory environment is raising the risk of bank failures. Exposure to the risk of bank failure for real estate funds can take affect directly through depositary accounts exceeding the Federal Deposit Insurance Corporation (FDIC) limits and via exposure through loans, subscription facilities, security deposits and letters of credit issued by such banks, that can no longer be drawn from. These risks can apply at the management company, fund and/or investment level, as well as affecting the performance of the fund where tenants are unable to pay their rent. Stockbridge mitigates these risks by monitoring various banking relationships and acting on contractual provisions where a bank failure triggers a change and by limiting depositary account amounts to the FDIC ensured levels where practical. We are reviewing direct banking relationships as part of our ongoing diligence of key service providers. As of the date of this filing, we have no direct impact from the recent bank failures and expect no impact to near-term cash management given the sufficient available capacity from the other subline lenders.

Certain Regulatory Risks: In the wake of the 2008 financial crisis and the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), the regulatory environment in which Stockbridge and its advisory business operates is subject to heightened regulation and scrutiny. The Dodd-Frank Act and related rulemakings by the SEC, the Commodity Futures Trading Commission and other regulators have sought to reform the regulation of many previously unregulated or under-regulated markets, market participants, and financial instruments, including alternative investment funds. While many of the new rules and regulations mandated by the Dodd-Frank Act have now been enacted by the SEC and other regulators, further rulemaking is likely as the regulators continue to study and examine alternative investment managers and other market participants. There has been an increase in the examinations of alternative investment funds and their advisors. The SEC has also engaged, and continues to engage, in “regulation by enforcement,” bringing enforcement actions against firms to police conduct that the regulator has not previously addressed directly through formal rulemaking. It remains difficult to predict the impact of additional formal and informal regulatory actions on Stockbridge and its clients or the effect on the manner in which Stockbridge operates. Such actions may impose additional costs on Stockbridge and its clients, may require the attention of senior management and may result in fines if Stockbridge or its affiliates is deemed to have violated any regulations.

The financial services industry generally, and the activities of private investment funds and their managers, in particular, have been subject to intense and increasing regulatory oversight. Such scrutiny may increase the exposure of Stockbridge and its clients to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may impose administrative burdens on Stockbridge and its affiliates, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert Stockbridge and its affiliate’s time, attention and resources from portfolio management activities.

Cybersecurity and Operational Risks: Stockbridge and our clients, including the assets and properties of these clients, and their service providers, including, but not limited to, their custodians, consultants, property managers, legal counsel and auditors, despite security measures, are subject to risks associated with a breach in cybersecurity. Such breaches could include external malicious attacks or internal personnel misuse. Any damage or interruptions to information technology systems may cause losses to the clients (or individual investors/members in the Funds or Platforms) by interfering with the operations of Stockbridge and/or our clients. Clients may also incur costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose clients and Stockbridge to civil liability as well as regulatory inquiry and/or action. Similar types of cybersecurity risks exist for certain properties or assets in which clients invest, which could affect their business and financial performance, potentially resulting in material adverse consequences and causing such investments to lose value. Stockbridge’s ability to conduct its business effectively is subject to a variety of other operational risks and is dependent on the ability to process client (and Fund or Platform investors/members) transactions. Notwithstanding the precautionary measures Stockbridge has in place, if any of Stockbridge’s controls or systems fail, Stockbridge could suffer business disruption, financial loss, or regulatory or reputational issues.

General Economic and Real Estate Considerations: Real estate investments are subject to varying degrees of risk. Real estate values are affected by a number of factors, each of which may have an adverse impact on the values of, and returns (if any) from, such investments, including changes in the general economic climate, local conditions (such as an oversupply of space or a reduction in demand for space), the quality and philosophy of management, competition based on rental rates, attractiveness and location of the properties and changes in the relative popularity of property types and locations, the financial condition of tenants, buyers and sellers of properties, the quality of maintenance, insurance and management services, changes in real estate tax rates and other operating costs and expenses, uninsured or uninsurable losses or delays from casualty condemnations, government regulations (including those governing usage, improvements, zoning and taxes) and fiscal policies, interest rate levels, the availability of financing, potential liability under environmental and other laws, energy prices, the ongoing need for capital improvements, tenant default or distress, construction risks, as well as natural catastrophes, acts of war, terrorist acts or security operations, such as the conflict between Russia and Ukraine and the significant sanctions and other restrictive actions taken against Russia by the United States and other countries in response to Russia's February 2022 invasion of Ukraine, as well as the cessation of all business in Russia by many global companies, civil unrest, strikes, epidemics and pandemics and the economic uncertainty caused during and in the aftermath of such events, civil unrest, uninsurable losses and other factors beyond our control.

Government Policies, Laws and Interventions: The U.S. government has taken significant actions to support the economy and the continued functioning of the financial markets in response to the COVID-19 pandemic. There can be no assurance as to how, in the long term, these and other actions by the U.S. government will affect our clients' business and the efficiency, liquidity and stability of financial and mortgage markets.

Moreover, uncertainty with respect to the actions discussed above combined with uncertainty surrounding legislation, regulation and government policy at the federal, state and local levels have introduced new and difficult-to-quantify macroeconomic and political risks with potentially far-reaching implications. There has been a corresponding meaningful increase in uncertainty with respect to interest rates, inflation, foreign exchange rates, trade volumes and trade, fiscal and monetary policy. The potential for changes in policy and regulation is heightened by the change in the U.S. administration. New legislative, regulatory or policy changes could significantly impact our clients' business and the markets in which they operate. In addition, disagreements over the federal budget have led to the shutdown of the U.S. government for periods of time in the recent past and may recur in the future. To the extent changes in the political environment have a negative impact on our clients' business or the financial and mortgage markets, our clients' business, results of operations, financial condition and ability to make distributions to investors could be materially and adversely impacted.

Government Regulation: The real estate industry is extensively regulated and subject to frequent regulatory change. The adoption of new legislation or changes in existing laws or new interpretations of existing laws can have a significant impact on methods of doing business, costs of doing business and amounts of reimbursement from governmental and other agencies.

Highly Competitive Market for Investment Opportunities: The business of identifying and structuring real estate investments is highly competitive and involves a high degree of uncertainty. Our clients compete for investments with other real estate investment vehicles, as well as individuals, financial institutions and other institutional investors which may have greater financial and other resources. In addition, the availability of investment opportunities is subject to market conditions as well as, in some cases, the prevailing regulatory or political climate.

Interest Rate Risks: Changes in interest rates may adversely affect the investments of our clients. For example, a client may finance one or more investments with “floating rate” indebtedness, where interest charges rise with increases in interest rates. Increased interest charges could reduce or eliminate the income the client receives from its investments and/or result in default on outstanding indebtedness. Even if a client is not exposed to “floating rate” indebtedness, increases in interest rates may reduce the value of its investments and its ability to realize gains from their sale. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors.

Investments in Real Estate Debt: While we expect that most of the investments made by our clients to be equity investments in real estate assets, our clients may also invest in real estate and real-estate debt instruments. Direct or indirect investments in certain real estate-related debt instruments involve certain inherent risks as well as risks related to changes in the economy. In addition to the risks of borrower default (including loss of principal and nonpayment of interest) and the risks associated with real estate investments generally, real-estate related debt investments are subject to a variety of risks, including the risks of illiquidity, lack of control, mismanagement or decline in value of collateral, contested foreclosures, bankruptcy of the debtor, claims for lender liability, violations of usury laws and the imposition of common law or statutory restrictions on the exercise of contractual remedies for defaults of such investments. Debt investments have special inherent risks relative to collateral value. In the event of default, the source of repayment is limited to the value of the collateral and may be subordinate to other lien holders (and the collateral value of the property may be less than the outstanding amount of the investment). Returns on an investment of this type depend on the borrower’s ability to make required payments and, in the event of default, the ability of the loan’s servicer to foreclose and liquidate the mortgage loan.

Lack of Liquidity and Long-Term Nature of Investments: Real estate investments are often illiquid, and this fact will tend to limit our ability to vary the portfolios of our clients promptly in response to changes in economic or other conditions. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on resale. As a result, a client may be unable to realize its investment objectives by sale or other disposition at attractive prices, or may otherwise be unable to complete an exit strategy for its investments. Additionally, while the expected holding period for real estate investments will vary, such investments are generally longer term in nature. Accordingly, our clients face risks of changes in long-term interest rates and adverse changes in the real estate markets over the holding period of their investments.

Leverage: Our clients may leverage their investments with debt financing in amounts which are significant relative to the costs of the investments. Incurring mortgage debt increases the risk of loss

because defaults on indebtedness secured by properties may result in foreclosure actions initiated by lenders and ultimately a client's loss of properties securing any loans for which it is in default. A foreclosure could also cause a client to recognize taxable income, even in the absence of any cash proceeds. In certain circumstances, financing may be recourse to the underlying client, which may expose the client to the loss of other assets not directly securing the loan. Clients pursuing value-added and opportunistic investment strategies will tend to use progressively higher levels of leverage. Uncertainty in the debt markets may lead to changes in the availability of favorable leverage products. Although the use of leverage may enhance returns and increase the number of investments that can be made, it increases the exposure of the client's investments to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the investments and substantially increases the risk of loss of capital. Debt service requirements may deplete cash flows and relatively small changes in the overall value of investments will have a magnified impact on the value of the equity of the client's investments. While the use of leverage has the potential to enhance overall returns that exceed the client's cost of funds, it will further diminish returns (or increase losses on capital) to the extent overall returns are less than the cost of funds.

Market Dislocation: An economic downturn could adversely affect Stockbridge, the financial resources of its clients and their investments, and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such circumstances, clients could lose both invested capital in, and anticipated profits from, the affected investments. An economic downturn could lead to a marked decrease in the availability of financing (and, in many cases, an increase in the interest cost) for leveraged transactions, which may impair a client's ability to consummate certain transactions or cause the client to enter into such transactions on less attractive terms.

Market Volatility Could Increase the Risk of Default by Investors: It is possible that a major event or other circumstance could provoke immediate dramatic changes in general market psychology and could motivate widespread variations in the absolute and relative pricing of financial assets, real estate assets, and the availability of financing for such assets. Such circumstances may include, but are not limited to, a financial shock experienced by one or more market participants, terrorist attack, natural disaster, public health or pandemic crises (such as the COVID-19 pandemic), outbreak of war and the related impact on macroeconomic conditions as a result of such outbreak, or other change in the geopolitical landscape. Analogous circumstances in the past have imposed material adverse conditions on general liquidity in the markets for financial and real estate assets, on the pricing, purchases and sales of broad categories of investments in certain cases, have had a material adverse effect on the existence of financial institutions, and caused substantial volatility in the financial markets during conventional business hours. In addition, such events have resulted, and may result in the future, in widespread revisions to prior standards for asset valuation, transaction costs and the price and availability of capital.

If the liquidity of investors were to be adversely impacted by the economic conditions resulting from any such event, then a Fund or Platform could experience an increased rate of default amongst investors on their respective capital commitments above that which could be reasonably expected under normal market conditions. If an existing or prospective investor fails to fund their respective capital commitments in the normal course of business, a Fund's or Platform's ability to continue its

investment program or to otherwise continue operations may be significantly impaired. Notwithstanding the contractual remedies provided in a Fund's or Platform's Governing Documents, a default by a substantial number of such investors, or by one or more of such investors who have made substantial equity commitments could limit a Fund's or Platform's ability to develop and acquire properties and otherwise take advantage of investment opportunities, and significantly reduce returns to a Fund or Platform.

Potential Environmental Liabilities: Under various federal, state and local laws, ordinances and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefor as to any property is generally not limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the owner's ability to sell such property or to borrow funds using such property as collateral. A client could also be held liable for any and all consequences arising out of past and future releases of, or exposure to, such hazardous or toxic substances or other environmental damage.

Public Health Emergencies including Epidemics and Pandemics: On January 30, 2020, the World Health Organization declared the outbreak of the novel coronavirus ("COVID-19") a "Public Health Emergency of International Concern." The outbreak of COVID-19 resulted in numerous deaths, adversely impacted commercial activity, and contributed to significant volatility in certain equity, debt, derivatives, and commodities markets. The impact of the outbreak rapidly evolved over the course of the pandemic, and at different points in time many countries reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, schools, retail stores, restaurants, hotels, courts and other public venues, and other restrictive measures designed to help slow the spread of COVID-19. Businesses also implemented, at different times and to different degrees, similar precautionary measures. In addition, state, federal and non-U.S. laws and regulations were implemented that placed or continue to place restrictions on lenders and landlords in the real estate sector and other industries from exercising certain of their rights in the event of borrower or tenant defaults or delinquencies, including with respect to foreclosure and eviction rights.

Although the World Health Organization's Public Health Emergency of International Concern expired on May 11, 2023, any public health emergency, including any new or variant outbreaks of COVID-19, SARS, H1N1/09 flu, avian flu, other coronaviruses, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on our clients and could adversely affect their ability to fulfill investment objectives.

The extent of the impact of any public health emergency on clients' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency (as well as the availability of effective treatment and/or vaccination), the extent of any related travel advisories and voluntary or mandatory government restrictions implemented, the impact of such public health emergency on overall supply and demand, goods (including component parts and raw materials) and services, investor liquidity, consumer confidence and spending levels,

the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. For example, the shortage of workers and lack of key components and raw materials that came as a result of COVID-19 has and may continue to contribute to manufacturers and distributors being unable to produce or supply enough goods to meet demands. The impact of these global supply chain constraints may not fully be reflected until future periods and may have an adverse impact on our clients. For this reason, valuations in such environment are subject to heightened uncertainty and subject to numerous subjective judgments even beyond what is traditionally the case, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value in the midst of significant volatility or market dislocation.

The effects of a public health emergency may materially and adversely impact the value and performance of a client's assets, the ability to source, manage and divest investments and the ability to achieve investment objectives, all of which could result in significant losses to the client. In particular, a public health emergency may have a greater impact on leveraged assets. In addition, the operations of Stockbridge and our clients may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity, including possibly the personnel of any such entity's key service providers. There is also a heightened risk of cyber and other security vulnerabilities during a public health emergency, which could result in adverse effects in the form of economic harm, data loss or other negative outcomes.

REIT Investments: Entities that elect to be taxed as a REIT do not pay federal income taxes if they meet the requirements to qualify as a REIT. If any REIT were to fail to qualify as a REIT in any taxable year, it could have adverse tax consequences, creating a risk that an investment in that REIT could perform negatively.

Risks Associated with Development, Redevelopment and Renovation: Depending on their individual investment strategies, our clients may acquire properties in need of substantial renovation or redevelopment and may also develop new properties. New project development, redevelopment and major renovation work are subject to a number of risks, including risks of construction delays or significant cost overruns that may increase project costs, risks that the properties will not achieve anticipated sales prices or occupancy levels or sustain anticipated rent levels, and new project commencement risks, such as the failure to obtain entitlement, zoning, occupancy and other required governmental permits and authorizations and the incurrence of development costs in connection with projects that are not pursued to completion.

Risks Relating to Tenants: Our clients may not be able to attract credit-worthy tenants for their properties or replacement tenants at rental rates equal to or greater than the rents paid under previous leases. Increased competition for tenants may require capital improvements to properties which would not have otherwise been planned. Any unbudgeted capital improvements that are undertaken may divert cash from that which would otherwise be available for distributions to clients/investors or may require unanticipated borrowings. A tenant may experience, from time to

time, a downturn in its business which may weaken its financial condition and result in its failure to make rental payments when due. Furthermore, at any time, a tenant may seek the protection of bankruptcy or insolvency laws, which could result in the rejection and termination of such tenant's lease or other adverse consequences and thereby cause a reduction in the distributable cash flow to clients/investors. No assurance can be given that tenants will fulfill the terms of their leases or that they will not file for bankruptcy protection in the future or, if they do, that their leases will continue in effect.

SEC Private Funds Regulation: Certain of our clients are "private funds" (as defined under the Adviser Act). On August 23, 2023, the SEC adopted a number of new rules and amendments to existing rules under the Advisers Act (the "Private Funds Rules") applicable to advisers to private funds, including new requirements related to quarterly statements, financial statement audits, restricted activities, and the preferential treatment of certain investors. Furthermore, on May 3, 2023, the SEC approved amendments to Form PF (the "Form PF Amendments"), which, among other things, require advisers to private funds to gather and report more information regarding fund strategies, use of leverage, fund investments in different levels of a single portfolio company's capital structure, and portfolio company restructurings or recapitalizations. The Form PF Amendments would also require that advisers report certain events to the SEC within 72 hours of their occurrence.

Separate cybersecurity rules (the "Cybersecurity 23 Rules" and, together with the Private Fund Rules and the Form PF Amendments, the "Adopted Rules") were adopted on July 26, 2023, and requires public companies to disclose both material cybersecurity incidents they experience and, on an annual basis, material information regarding their cybersecurity risk management, strategy, and governance. The SEC has proposed rules that will apply to registered investment advisers, investment companies, and business development companies which, if adopted, are expected to result in similar requirements for private fund advisers (such rules, the "Proposed Cybersecurity Rules").

The SEC has also proposed amendments to rules and disclosure forms (the "Proposed ESG Rules and Forms") to increase disclosure obligations regarding certain funds' and advisers' incorporation of environmental, social and governance factors in their investment process and a new oversight rule and rule amendments under the Advisers Act (the "Proposed Outsourcing Rules") that would prohibit registered investment advisers from outsourcing certain services and functions without conducting due diligence and monitoring of the service providers. Finally, the SEC has also proposed new rules and amendments to Rule 206(4)-2 under the Advisers Act (the "Proposed Custody Rule Changes" and, together with the Proposed Cybersecurity Rules, Proposed ESG Rules and Forms and the Proposed Outsourcing Rules, the "Proposed Rules"), which would expand the current custody rule to cover a broader array of client assets and advisory activities and impose new custodial protections on client assets held under the Advisers Act.

The Adopted Rules and, if adopted as proposed, the Proposed Rules are expected to increase the cost of operating private funds (including costs ultimately allocated to investors) and the time and resources that Stockbridge and its personnel will be required to devote to reporting and compliance matters. In addition, if adopted as proposed and without the benefit of any "grandfathering" with respect to fund arrangements in place prior to the date of such adoption, the Proposed Rules could

require amendments to such fund arrangements, which could be costly. The effect of the Proposed Rules, and any other future change in law or regulation that impact the U.S. private funds industry, on Stockbridge our clients, our personnel or any of our affiliates could be substantial and potentially adverse.

Sustainability Program Risk: Stockbridge is committed to considering material sustainability issues in the course of its due diligence and in the monitoring of portfolio investments to the extent reasonably practical, subject to the provisions of the operating agreements, confidential private placement memorandums and investment management agreements applicable to its clients, and to maximize investment returns for its clients. While Stockbridge has established top-down oversight and leadership of its Sustainability Program through a formal Sustainability Steering Committee, and robust policies and procedures, any use of sustainability factors or considerations in an investment process will be determined by independent portfolio management teams, each of which may incorporate sustainability factors and considerations into its investment process in differing manners. As such, sustainability considerations that may be assessed as part of the investment process may vary across types of eligible investments, and not every sustainability factor may be identified or evaluated for every investment. Additionally, interpretation and application of sustainability principles and considerations varies amongst industries, asset classes, and geographical regions. Stockbridge believes that interpretation of sustainability factors is not static and will likely change over time as new issues emerge, best practices change, and ideas around these wide-ranging topics evolve.

Clients that use sustainability factors, including environmental, social, or governance considerations, to exclude certain investments for non-financial reasons may forego some market opportunities available to other clients that do not use these criteria. There is no guarantee that Stockbridge will successfully implement and make investments in real estate assets that creates positive impact while enhancing long-term value and achieving financial returns. The incorporation of sustainability factors may affect exposure to certain types of real estate and may not work as intended. Sustainability-related practices differ by region and product type, and are evolving. There is no guarantee that the evaluation of sustainability considerations will be additive to performance.

Sustainability Risk: Sustainability risk means an environmental, social, or governance event or condition, that, if it occurs, could potentially or actually cause a negative material impact on the value of investments. Sustainability risk can either represent a risk on its own or have an impact on other risks such as market risks, liquidity risks or operational risks and contribute significantly to the risk. With regard to an environmental event or condition, real estate could be severely damaged or destroyed by physical climate risks, including climate change that could materialize as either singular extreme weather events (e.g., floods, storms and wildfires) or through long-term impacts of climatic conditions (such as precipitation frequency, weather instability and rise of sea levels). Furthermore, transition risks can affect real estate assets through the adjustment to a low carbon economy. Political decisions could for example increase energy prices or lead to higher investment costs due to necessary refurbishments of real estate to meet enhanced energy efficiency requirements (caused by local, national, regional or global legislation). Transition risks could also lead to a reduction in demand for energy inefficient real estate. The market value of directly and indirectly held real estate may also be negatively affected by sustainability risks, for example through adverse changes in revenues, higher costs or impaired valuations and sales prices.

Third-Party Involvement: Our clients may hold investments in partnerships, joint ventures or other entities with third parties. Joint venture investments involve various risks, including the risk that we will not be able to implement investment decisions or exit strategies because of limitations on our control of the property under applicable agreements with joint venture partners, the risk that a joint venture partner may experience financial difficulties or may at any time have economic or business interests or goals which are inconsistent with ours, the risk that joint venture partners may be in a position to take action contrary to our objectives, the risk of liability based upon the actions of a joint venture partner and the risk of disputes or litigation with such partners.

Uninsured Loss: Certain types and magnitudes of potential losses at real estate investments are not insured because it is not economically feasible to insure against such losses or are subject to certain insurance limitations, including large deductibles or co-payments. Should an uninsured loss or a loss in excess of limits occur, the portfolio could lose its capital invested in such investments as well as future revenue, while remaining liable for any debt or other financial obligations related to such investments.

Valuation: Valuation of real estate and real estate debt is subject to numerous assumptions and is not a precise measure of realizable value. The value of a portfolio as of a particular date may be materially greater than or less than the value that would be determined if a portfolio's investments were to be liquidated as of such date. Volatile market conditions or illiquidity of real estate investments could result in liquidation values that are materially less than the values of such assets as reflected in a portfolio.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment. Prospective investors should read the offering documents and consult their own counsel and advisors before deciding to invest.

Item 9 Disciplinary Information

Stockbridge, including any of its management persons, has not been subject to any material legal or disciplinary events required to be disclosed in this brochure.

Item 10 Other Financial Industry Activities and Affiliations

Registered Investment Adviser: In 2010, Stockbridge and certain senior CVA professionals formed an affiliated investment adviser, CVA (SEC File No. 801-72087), to expand the core and value-added segments of its business. Effective October 31, 2023, CVA is 100% owned by Stockbridge. While CVA is ultimately controlled by Stockbridge's Chief Executive Officer, Terrence Fancher, CVA's business is managed on a day-to-day basis by Sollie Raso, CVA's Executive Managing Director. While Stockbridge and CVA operate as separate investment advisory businesses, each with distinct Investment Committees, Stockbridge and CVA operate under one common ownership structure and share resources, including personnel responsible for operating governance and the day-to-day oversight of corporate functions such as compliance, accounting, human resources and technology. Stockbridge's ownership and control of CVA, as well as the sharing of resources and personnel, gives rise to actual and potential conflicts. For example, Stockbridge, CVA and/or its (or any shared)

personnel could face certain conflicts of interest between the interests of Stockbridge or Stockbridge's clients and the interests of CVA or CVA's clients when making certain decisions on behalf of Stockbridge or Stockbridge's clients that compete with or differ from the interests of CVA or CVA's clients.

For additional information regarding certain relationships between Stockbridge personnel and CVA, see "Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading" below.

In 2018, Stockbridge formed MORE Residential (f/k/a MORE Employer, LLC) and MORE Residential, LP ("MORE Residential LP") which are 100% owned by Stockbridge. MORE Residential LP owns four investments acquired by Stockbridge (the "Stockbridge Assets"). MORE Residential currently provides i) asset management services for the Stockbridge Assets; and ii) asset management and investment sourcing services for SMORE I and SMORE II. MORE Residential may source particular investment opportunities for Stockbridge and its clients which may also be suitable for clients of CVA. Accordingly, a conflict of interest will exist between Stockbridge and CVA, or their affiliates or clients, in the event both Stockbridge and CVA pursue the same investment opportunity. Please also refer to "Competing Advisors" in "Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading."

Passive Minority Investment by Blue Owl: On October 31, 2023, Stockbridge accepted a minority investment by an investment vehicle (the "Minority Investor") managed by Blue Owl GPSC Advisors LLC (Blue Owl Capital Inc.'s GP Strategic Capital platform) ("Blue Owl"). Neither Blue Owl nor the Minority Investor has decision making rights or input with regard to Stockbridge's day-to-day operations or any investment decisions. Nonetheless, there is potential for conflicts of interest. For example, the Minority Investor is substantially owned by a current investor in certain Platforms managed by Stockbridge and CVA, and may invest in one or more of Stockbridge or CVA's other Funds or Platforms in the future. Stockbridge may therefore have an incentive to provide more favorable terms to the Minority Investor and/or its beneficial owner than to other investors, or to manage a client's investments in a manner beneficial to the Minority Investor or its beneficial owner, as a result of the Minority Investor's investment in Stockbridge.

Funds: The Funds are controlled by the general partner for each client, which are affiliates of Stockbridge. Stockbridge Capital Partners, LLC (the "Fund I GP") is the general partner of Fund I, Stockbridge Real Estate Partners II, LLC (the "Fund II GP") is the general partner of Fund II, Stockbridge Real Estate Partners III, LLC (the "Fund III GP") is the general partner of Fund III, Stockbridge TI Partners, LLC (the "TI Fund GP") is the general partner of TI Fund, Stockbridge TI Series 2 Partners, LLC (the "TI Series 2 Fund GP") is the general partner of TI Series 2 Fund, Stockbridge TI Series 3 Partners, LLC (the "TI Series 3 Fund GP") is the general partner of TI Series 3 Fund, Stockbridge YBI Partners, LLC (the "YBI Fund GP") is the general partner of YBI Fund, and Stockbridge Helix Partners, LLC ("Helix Investor GP") is the general partner of Helix Investor. Stockbridge provides investment advisory services to the Funds. Mr. Fancher is the managing member of the Fund I GP, Fund II GP, Fund III GP, TI Fund GP, TI Series 2 Fund GP, TI Series 3 Fund GP and YBI Fund, and Stockbridge is the managing member of Helix Investor GP.

YES Communities and PSERS YES Investor: Stockbridge provides investment and asset management services to YES Communities.

Stockbridge PSERS YES GP, LLC (“PSERS YES GP”) is an affiliate of Stockbridge and was formed to serve as the general partner of PSERS YES Investor, which in turn invests in YES Communities. Mr. Fancher is the managing member of PSERS YES GP.

SSIV and SIV Reno: Stockbridge provides investment and asset management services to SSIV, SSIV OP and SIV Reno. Stockbridge has also entered into Services and Sub-advisory Agreements with CVA for CVA (alongside Stockbridge) to provide investment advisory services to SSIV, SSIV OP and SIV Reno.

Stockbridge NLP, NLP Investor and U.S. Logistics: Stockbridge provides investment and asset management services to Stockbridge NLP and NLP OP. Stockbridge also entered into a Services and Sub-advisory Agreement with CVA for CVA to provide investment advisory services to Stockbridge NLP and NLP OP.

Stockbridge NLP Investor GP, LLC (“NLP Investor GP”) is an affiliate of Stockbridge and was formed to serve as the general partner of NLP Investor, which in turn invests in Stockbridge NLP. Stockbridge is the managing member of NLP Investor GP.

Stockbridge U.S. Logistics GP, LLC (“U.S. Logistics GP”) is an affiliate of Stockbridge and was formed to serve as general partner of U.S. Logistics, which in turn invests in Stockbridge NLP. Stockbridge is the managing member of U.S. Logistics GP. Stockbridge and CVA provide investment and asset management services under a single Investment Management Agreement with U.S. Logistics.

SMORE I, SMORE II and SFR Investor: Stockbridge provides investment and asset management services to SMORE I, SMORE I OP, SMORE II and SMORE II OP, with MORE Residential providing asset management, property management and investment sourcing services on behalf of these clients.

Stockbridge U.S. SFR GP, LLC (“SFR Investor GP”) is an affiliate of Stockbridge and was formed to serve as the general partner of SFR Investor, which in turn invests in SMORE I and SMORE II. Stockbridge is the managing member of SFR Investor GP.

Other: Certain employees of Stockbridge have family members and/or friends that are employed with, or are otherwise affiliated with, entities that provide services or engage in business transactions with Stockbridge and/or our clients. Examples of such relationships may include entities that are our clients’ investors, joint venture partners, operating partners, real estate or securities brokers, consultants, lenders, and/or tenants in buildings owned by our clients. No discounts are afforded to employees of Stockbridge, or their family members, should they tenant a building owned by a client. Employees are required to report certain relationships to the Chief Compliance Officer to review for conflicts of interest.

Other Investment Vehicles, Separate Accounts or Funds: Stockbridge and/or certain related persons have and may continue to organize other partnerships or investment vehicles and serve as

the manager, general partner, or the managing member or general partner of the general partner, to these partnerships or vehicles.

Stockbridge may manage a number of clients that may have investment objectives similar to each other and it or its personnel may in the future establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current clients. Allocation of available investment opportunities between current clients and any such investment fund could give rise to conflicts of interest; see “Allocation of Investment Opportunities” below. Stockbridge may give advice or take actions with respect to the investments of one or more client that may not be given or taken with respect to other clients with similar investment programs, objectives or strategies. As a result, clients with similar strategies will generally not hold the same investments or achieve the same performance. In addition, a client will not be able to invest through the same investment vehicles, or have access to similar credit or utilize similar investment strategies as another client. These differences often result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

In addition, Stockbridge provide management and advisory services to multiple clients for a fee and receive certain performance-related payments. A general partner’s carried interest or performance fee may create an incentive for such general partner to make more speculative investments for such client than it would otherwise make in the absence of such performance-based distributions. In addition, the method of calculating the carried interest may result in conflicts of interest between the advisory client’s general partner, on the one hand, and the investors, on the other hand, with respect to the management and disposition of investments. Lastly, Stockbridge’s professionals may have conflicts in allocating time, services and resources between clients.

Conflict Identification and Mitigation: Like other investment advisers, Stockbridge is subject to various conflicts of interest in the ordinary course of our business. If any matter arises that Stockbridge determines in good faith judgement constitutes an actual conflict of interest, Stockbridge may take such actions as it determined in good faith may be necessary or appropriate to ameliorate the conflict. These actions may include, by way of example and without limitation:

- Consideration of the conflict by Stockbridge’s Compliance, Risk and Conflicts Committee;
- Disclosure of the conflict to relevant clients or investors;
- Disposing of the asset giving rise to the conflict of interest;
- Excluding a conflicted party from any board or investment committee decision if Stockbridge determines such exclusion is necessary;
- To the extent required by Governing Documents, consulting with the relevant Fund advisory committee or board of directors regarding the conflict of interest, potentially obtaining a waiver from the advisory committee or board of directors of such conflict of interest; or
- Seeking the approval of investors, limited partners and/or the Fund advisory committee with respect to conflicts of interests or approvals required under the Advisers Act, including Section 206(3) and/or the relevant Governing Documents.

To address potential conflicts, Stockbridge’s Code of Ethics outlines our core values and expectations of acceptable behavior, covers personal securities trading, inside information and information barriers, and gifts and entertainment among other matters. Stockbridge has adopted

supervisory procedures to monitor compliance with our policies, and has also adopted a Conflicts Policy. We cannot guarantee, however, that our policies and procedures will detect and prevent, or result in the disclosure of, every situation in which a conflict may arise.

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

Code of Ethics

We have adopted a Code of Ethics expressing Stockbridge's commitment to ethical conduct. Our Code of Ethics requires high standards of business conduct and compliance with applicable federal and state securities laws. Our Code of Ethics stresses that no person employed by us shall prefer their own interests to those of our investment advisory clients, and prohibits the use of material non-public information. To supervise compliance with our Code of Ethics, we require supervised persons to provide annual securities holdings reports and quarterly transaction reports of all reportable transactions to our Chief Compliance Officer. We also require prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code of Ethics provides for sanctions when appropriate. Clients, investors and prospective clients or investors may obtain a copy of our Code of Ethics upon request by contacting our Chief Compliance Officer.

Participation or Interest in Client Transactions and Personal Trading

Prior to subscribing for interest in a Fund, Platform or SMA, investors receive information relating to potential conflicts of interest between the activities of the advisory clients and the business activities of Stockbridge, and its affiliates, or clients that may have a financial interest in the securities in which any of the clients invest. Certain of the material conflicts of interest encountered by a client are discussed herein, although the discussion below does not necessarily describe all of the conflicts that may be faced by a client. Other conflicts may be disclosed throughout this brochure and as such, this brochure should be read in its entirety for other conflicts. For a more comprehensive disclosure of potential conflicts of interest associated with investing in a client, current and prospective investors should refer to the client's Governing Documents, together with all of the other information included in the Governing Documents.

As general partners, limited partners, members or managing members of the general partners of the Funds or Platforms structured as a limited partnerships (collectively, "Pooled Vehicles"), or of other entities established for the purpose of investment in the Pooled Vehicles, Stockbridge and its related persons will have indirect beneficial interests in the investments owned by the Funds or Platforms and, in such cases, certain personnel will share in the profits and losses generated by the Funds' or Platforms' investments.

Stockbridge and/or certain related persons of Stockbridge may, on rare occasions, directly or through one or more entities, sell securities in which they have a direct or indirect ownership interest to certain clients in connection with certain "warehousing" or investment transactions, provided that the sale is consistent with Stockbridge's fiduciary obligations to the client. Such transactions will be fully disclosed and the written consent of the appropriate Fund or Platform

(which, in certain circumstances, may be provided by an advisory committee or board of directors) will be obtained prior to the consummation of any such transactions in accordance with Section 206(3) of the Advisers Act to the extent that such transactions constitute “principal transactions” under Section 206(3). Moreover, Stockbridge may, in limited instances, cause a Fund or Platform to engage in “cross transactions” via the purchase or acquisition of a security from, or the sale or transfer of a security to, another Fund or Platform, provided that the transfer is consistent with Stockbridge’s fiduciary obligations to each Fund or Platform participating in the cross transaction.

Moreover, Stockbridge may, in limited instances, cause a Fund or Platform to engage in “cross transactions” via the purchase or acquisition of a security from, or the sale or transfer of a security to, another Fund or Platform, provided that the transfer is consistent with Stockbridge’s fiduciary obligations to each Fund or Platform participating in the cross transaction.

While Stockbridge endeavors at all times to act in the best interests of its clients, such transactions described above create a potential conflict of interest. For further discussion about potential conflicts of interest, please see the below “Conflicts of Interest” section.

Funds and Platforms: Through the Fund or Platform general partners or other affiliated non-controlling investment entities (the “Investment Vehicles” and each, an “Investment Vehicle”), Stockbridge owners, certain Stockbridge, CVA and MORE Residential professionals, and other investors that are not employees of Stockbridge, have made capital commitments to certain or all of the Funds and Platforms (or to clients invested in such Platforms; PSERS YES Investor, NLP Investor, U.S. Logistics and SFR Investor).

In addition to distributions associated with capital commitments made by the general partners or Investment Vehicles, certain general partner or Investment Vehicles are entitled to receive carried interest distributions. As such, Stockbridge owners, certain Stockbridge, CVA and MORE Residential professionals, and other investors that are not employees of Stockbridge, participate in the carried interest distributions paid (if any).

Additionally, a client of CVA, Smart Markets Fund, L.P., a Delaware limited partnership (the “Smart Markets Fund”), indirectly holds an 11% interest in Stockbridge NLP through an affiliated entity formed to invest the Smart Markets Fund in Stockbridge NLP.

CVA Clients: Certain Stockbridge professionals have invested their own capital as members of an Investment Vehicle that is invested in a limited partnership in which an SMA Client of CVA is the largest investor. CVA provides investment management services to that limited partnership and controls its general partner. Such Investment Vehicle (and, through it, the professionals who have invested therein) is entitled to receive distributions from the limited partnership in the same manner as the SMA Client.

Certain Stockbridge professionals have invested their own capital as members of Investment Vehicles that are invested in certain of CVA’s limited partnerships. CVA provides investment management services to these limited partnerships and controls the general partner of each limited partnership. The Investment Vehicles are entitled to receive distributions relating to their capital contributions, and are also entitled to carried interest distributions if earned. As such, certain

Stockbridge professionals may also participate in the carried interest distributions paid by these limited partnerships. Stockbridge has not invested any capital in or is entitled to any carried interest distributions relating to, the aforementioned Investment Vehicles or general partners.

Certain Stockbridge professionals have invested their own capital to acquire partnership interests in the Smart Markets Fund. CVA provides investment management services to the Smart Markets Fund and controls its general partner. The investment professionals have the same rights as the other limited partners in the Smart Markets Fund. Stockbridge has not invested any capital in, nor is entitled to any carried interest distributions from, the Smart Markets Fund or its general partner.

SMA Client Investment in Funds: As Stockbridge receives compensation for providing managerial services to our Funds and Platforms, we may have a conflict of interest in soliciting our SMA Clients (or those of CVA) to invest in our Funds or Platforms. However, SMA Clients are under no obligation to participate in such investments, and we will disclose our affiliation with the Funds and Platforms to those SMA Clients who are solicited to invest. While Stockbridge endeavors at all times to put the interest of SMA Clients first as part of our fiduciary duty, SMA Clients should be aware that the receipt of additional compensation may itself create a conflict of interest, and may affect our judgement when making such solicitations.

Other Potential Conflicts of Interest

Competing Advisors: A conflict of interest will exist between Stockbridge and CVA, or their affiliates or clients, should Stockbridge and CVA pursue the same investment opportunity for one or more of their respective clients. While the opportunity for such a conflict is expected to be infrequent, Stockbridge and CVA have policies and procedures in place to identify, document and address any potential or actual conflict that may arise as a result of such affiliation.

Competing Investments: Conflicts of interest may exist to the extent that Stockbridge, or an affiliate, manages real properties in the same geographic areas for multiple clients. In such a case, a conflict could arise in the leasing of properties in the event that properties were to compete for the same tenants in negotiating leases, or a conflict could arise in connection with the resale of properties in the event that different clients were to attempt to sell similar properties in the same market at the same time. Conflicts of interest may also exist when properties in the same market seek to employ developers, contractors or building managers.

Allocation of Investment Opportunities: In recognition of fiduciary duties required of investment advisers under the Advisers Act, Stockbridge considers the need for written policies and procedures relating to the allocation of investment opportunities, and will consider the need for an investment allocation policy when it has multiple clients that compete for the same investment profile with capital commitments. Certain clients may be subject to investment allocation requirements pursuant to the Governing Documents of such clients.

Allocation of Co-Investment Opportunities: Stockbridge or the respective general partner of a Fund or Platform may offer co-investment opportunities with respect to none, some or all of a Fund's or Platform's investments. In the event that any such co-investment opportunity is offered, such opportunities will be offered pursuant to the terms of the applicable Governing Documents. With

respect to certain of the Funds or Platforms, certain of the investors may have priority rights (but not obligations) to participate in co-investment opportunities, subject to the terms and conditions of the applicable Governing Documents. If Stockbridge and/or an affiliate determines that a Fund or Platform should commit to invest less than the amount offered to the Fund or Platform with respect to an investment opportunity or should decline an investment opportunity, Stockbridge and/or an affiliate may present to any person (including affiliates of Stockbridge or some or all of the Limited Partners, as determined by Stockbridge and/or an affiliate in its discretion, but subject to any applicable Governing Documents) all or any portion of such investment opportunity remaining after taking into account the investment, if any, by the Fund or Platform. In addition, Stockbridge and/or an affiliate may determine in its sole discretion to make available to any such person the right to co-invest in a particular investment by purchasing an interest in such investment from the Fund or Platform or its affiliate after the Fund or Platform or such affiliate has acquired the investment.

The decision to allocate a particular investment between a Fund or Platform and other affiliates of Stockbridge may involve conflicts of interest. Funds and Platforms may also give co-investment opportunities to certain Limited Partners, including Limited Partners with which Stockbridge has significant relationships and not to other Limited Partners, which could present certain conflicts of interest. Further potential conflicts of interest could arise after a Fund or Platform and other affiliates have made their respective investments, including where the investment objectives, expected exit timing or financial resources of the co-investing entities differ substantially from those of the Fund or Platform.

As discussed below under “Client Expenses,” in connection with a co-investment, Stockbridge and/or an affiliate will determine, in their discretion, the appropriate allocation of investment-related expenses, including broken deal expenses incurred in respect of unconsummated investments among the Funds, Platforms, vehicles and accounts participating or that would have participated in such investments, as applicable, which may result in a Fund or Platform bearing more or less of these expenses than other participants or potential participants in the relevant investments.

Cross-Transactions: In certain limited cases, Stockbridge may cause a client to purchase investments from another client, or it may cause a client to sell investments to another client. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a client may not receive the best price otherwise possible, or Stockbridge might have an incentive to improve the performance of one client by selling underperforming assets to another client in order, for example, to earn fees. Additionally, in connection with such transactions, Stockbridge, its affiliates and/or their professionals (i) will, from time to time, have significant investments, or intentions to invest, in the client that is selling and/or purchasing such an investment, or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). Stockbridge and/or its affiliates receive management fees or other fees in connection with their management of the relevant clients involved in such a transaction, and generally are entitled to share in the investment profits of the relevant clients. To address these conflicts of interest, in connection with effecting such transactions, Stockbridge will follow the Governing Documents of the relevant clients. To the extent such matters are not addressed in the Governing Documents, Stockbridge’s Conflicts Committee will be responsible for confirming that Stockbridge (i) considers its respective duties to each client, (ii) determines whether the purchase

or sale and price or other terms are comparable to what could be obtained through an arm's length transaction with a third party on commercially reasonable terms, and (iii) obtains any required or appropriate approvals of the transaction's terms and conditions.

Principal Transactions: Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with Stockbridge's management of its clients, Stockbridge and/or an affiliate may in the future engage in principal transactions, and shall comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable client(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received, and, to the extent applicable and permissible under the respective Fund Governing Documents, that such consent may be provided by a limited partner advisory committee.

Business Relationships of Stockbridge and/or its Affiliates: Stockbridge, its affiliates and their personnel have long-term relationships with a significant number of property managers, facilities managers, developers, institutions and corporations and their advisors. In determining whether a client should invest in a particular transaction and which service providers to use, if any, Stockbridge will consider these relationships in its management of the client. There may be certain transactions that will not be undertaken on behalf of a client in view of such relationships.

Real Estate Leases: Clients may be presented with the opportunity to have Stockbridge, an affiliate of Stockbridge, or another client as a tenant in one of the client's properties. Any such transactions will be completed on "arm's length terms."

Client Expenses: As described further in "Item 5 – Fees, Compensation, Expenses and Other Fund Matters," clients pay and bear expenses as outlined in the Governing Documents. Such expenses may be substantial and reduce the actual returns realized by clients or Limited Partners on their investment in Funds or Platforms. Expenses to be borne by Stockbridge and/or its affiliates are limited to those items specifically enumerated in Governing Documents. From time to time, Stockbridge and/or an affiliate will be required to decide whether costs and expenses are to be borne by a client, on the one hand, or by Stockbridge and/or an affiliate, on the other, and/or whether certain costs and expenses should be allocated between or among a client, on the one hand, and other clients, investment vehicles or accounts managed by Stockbridge and/or its affiliates, on the other. Stockbridge will make such judgments notwithstanding its interest in the outcome and may make corrective allocations should, based on periodic reviews, it determines that such corrections are necessary or advisable.

A client may participate in specific investments together with one or more other clients of Stockbridge and may also co-invest with co-investors (including in connection with portfolio entities in which a client and such other client of Stockbridge has overlapping investments). Stockbridge and/or its affiliates will determine, in their discretion, the appropriate allocation of investment-related expenses, including broken deal expenses incurred in respect of unconsummated

investments among the clients participating or that would have participated in such investments, as applicable, which may result in a client bearing more or less of these expenses than other participants or potential participants in the relevant investments. The allocation of such expenses among such entities raises potential conflicts of interest, in part because expenses paid by an entity generally will affect the amount of performance/incentive fees and/or carried interest that Stockbridge and/or its affiliates may receive. Stockbridge and its affiliates intend to allocate such common expenses among such client and any other client in an equitable manner as determined by Stockbridge and/or its affiliates in their good faith discretion.

Because certain expenses are paid for by a client and/or its portfolio investments or, if incurred by Stockbridge, are reimbursed by a client and/or its portfolio investments, Stockbridge may not necessarily seek out the lowest cost options when incurring (or causing a client or its portfolio investments to incur) such expenses.

Conflicts Relating to the General Partners and Stockbridge: Stockbridge personnel may buy securities in other investment vehicles (including private equity funds, hedge funds, real estate funds and other similar investment vehicles) which may include potential competitors of Stockbridge's clients. The transactions described above are subject to the policies and procedures set forth in Stockbridge's Code of Ethics and investors will not benefit from any such investments. The investment policies, fee arrangements and other circumstances of these investments may vary from those of Stockbridge's clients. If Stockbridge professionals have made large capital investments in or alongside Stockbridge's clients, they will have conflicting interests with respect to these investments. While the significant interests of Stockbridge professionals generally align the interest of such person with Stockbridge's clients, such persons may have differing interests from the client with respect to such investments (for example, with respect to the availability and timing of liquidity).

Other Potential Conflicts: Stockbridge, its affiliates, and their personnel may engage third-party service providers for clients, or the portfolio investments of clients, on either a long-term basis or in connection with a specific transaction. Such third-party service providers include, without limitation, investment bankers, real estate brokers, leasing brokers, outside legal counsel, accountants, custodians and auditors. In the event of a significant dispute or divergence of interest between clients, Stockbridge and/or its affiliates, the parties may engage separate counsel in the sole discretion of Stockbridge and/or its affiliates, and in litigation and other circumstances separate representation may be required.

Please refer to "Item 10 – Other Financial Activities and Affiliations" for a description of other financial industry activities and affiliations of Stockbridge, and a discussion of the material conflicts relating thereto.

Item 12 Brokerage Practices

As our clients invest principally in real estate assets, we are rarely required to select or recommend broker-dealers for client securities transactions. In circumstances where securities brokers or dealers are required, we will endeavor to select those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on

the broker's ability to provide professional services, competitive commission rates, research and other services that will help us in providing investment management services to clients. We may therefore use the broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. With respect to the purchase or sale of securities for client accounts, we do not aggregate the purchase or sale of securities for our clients as each client holds distinct investments that are consistent with its investment objectives. Research services may be useful in servicing all of our clients, and not all of such research may be useful for the account for which the particular transaction was effected.

Item 13 Review of Accounts

Reviews: The underlying investments of our clients are regularly monitored and reviewed by the Managing Directors of Stockbridge in the context of their investment objectives and guidelines. All investments are subject to an annual capital and operating budget process and financial results for investments are reviewed generally on a monthly, quarterly and annual basis. Further, asset valuations are reviewed regularly, with write-ups or write-downs taken pursuant to GAAP accounting procedures (though in the case of SMA Clients, the valuation cycle is determined by the client). Our investment professionals visit properties (or, in the case of portfolios containing a large number of smaller properties, a selection thereof) generally at least once each calendar year. Larger properties, as well as those undergoing renovation, development or redevelopment, are typically visited on a more frequent basis. In the case of SMA Clients, our professionals visit properties in a cadence outlined in the applicable advisory agreement.

Reports: For our Funds and Platforms, we furnish quarterly unaudited financial statements (including a balance sheet, income statement, and statement of cash flow) to all Limited Partners or members (as applicable). With respect to YES Communities, these statements are furnished to YES Communities members by the day-to-day operating partner of YES OP.

We furnish annual audited financial statements (including a balance sheet, income statement, and statement of cash flow) to all Limited Partners or members (as applicable) of the Funds and Platforms (and any client invested in a Platform). With respect to YES Communities, these annual audited statements are furnished to YES Communities' members by the day-to-day operating partner of YES OP.

On a quarterly and annual basis, Fund and Platform Limited Partners or members (as applicable) are also provided a summary of applicable activities, including all acquisitions and dispositions. With respect to YES Communities, we assist the operating partner of YES OP in the preparation of detailed monthly and quarterly reports that are furnished to YES Communities members.

Generally, we provide SMA Clients with written quarterly and annual reports summarizing account performance, balances and holdings and any additional reports as specified and contracted for with an SMA Client in the applicable SMA advisory agreement.

Item 14 Client Referrals and Other Compensation

At such time that Stockbridge directly or indirectly compensates any affiliate or non-affiliate for client referrals, compensation and disclosures will be in accordance with the relevant rule under the Advisers Act and any other applicable regulations.

We or our affiliates may employ the services of placement agents (i.e., external consultants who specialize in finding institutional investors to invest in private placements or companies issuing securities). These placement agents will solicit prospective investors for any of our Funds, Platforms and/or prospective SMA Clients on our behalf and will typically charge a fee based on the percent of the funds they raise plus reimbursement of certain out-of-pocket expenses. With respect to prospective investors in our Funds or Platforms, placement fees and expenses will typically be paid by the applicable Fund or Platform and then deducted from management fees payable by the Fund or Platform. With respect to SMA Clients, placement fees will typically be paid by us directly, unless otherwise negotiated between the SMA Client and us. The receipt of compensation by the placement agents creates a potential conflict of interest and may affect the judgement of placement agents when referring potential investors to the Funds, Platforms or SMAs.

In 2018, Stockbridge and the YBI Fund GP entered into Services Agreements with subsidiaries of a former owner for assistance with investor relations and marketing activities relating to the YBI Fund (the “Marketers”). Any fees associated with the Services Agreements are borne by Stockbridge and/or the YBI Fund GP. Currently, there is no marketing activity or solicitation being conducted by the Marketers on behalf of Stockbridge or YBI Fund GP.

No party (other than our clients) provides an economic benefit to us for providing investment advice or other advisory services to our clients.

Item 15 Custody

As described under “Item 13 – Review of Accounts,” we provide quarterly unaudited financial statements both to SMA Clients and to Limited Partners and members (as applicable) in our Funds and Platforms. The Funds, Platforms, PSERS YES Investor, NLP Investor and U.S. Logistics are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements, prepared in accordance with generally accepted accounting principles, are distributed to each Limited Partner or member (as applicable) within 120 days of the fiscal year end. Additionally, client cash balances and working capital may be invested in bank deposits, money market funds or similar cash-equivalent instruments with qualified custodians and such qualified custodians, to the extent required, will send periodic statements directly to our clients (including, in the case of SMA Clients, to the specific legal entities created to hold the investments in the SMA). To the extent they receive such information, SMA Clients are urged to carefully review and compare the statements they receive from qualified custodians, as applicable, with those they receive from us.

Item 16 Investment Discretion

Funds: The general partners of certain of the Funds have discretion to determine the portfolio composition and which investments are to be bought or sold (as in the case of the Opportunity Funds), and have the discretion to acquire, hold, develop, reinvest in, manage and ultimately dispose of Fund investments. The investment discretion of the general partners, if granted, is provided in and subject to the terms and conditions contained in the relevant organizational documents of these entities.

Separately Managed Accounts: SMA advisory agreements may provide investment discretion to us to determine the portfolio composition of such SMA and which investments are to be bought or sold. Such discretion may include various limitations, including the size of the assets to be acquired or sold, the property type, location or other features of such assets and/or the amount and terms of indebtedness that may be placed on such assets. In all cases, we would request that SMA Clients granting us discretionary authority do so in writing. Further, to the extent that any SMA Client wishes to impose limitations on our discretionary authority, we will request that such limitations be included in the written authority statement. If an SMA Client wishes to amend or change our discretionary authority, we will request that such amendment or change also be in writing.

Platforms: Platform Governing Documents outline the level of authority and/or discretion provided to Stockbridge and its affiliates. Each Platform has a Board of Directors which includes Stockbridge personnel and unaffiliated investor personnel, and is ultimately responsible for the governance of the Platform, including the approval of annual budgets, acquisitions and dispositions amongst other matters.

Item 17 Voting Client Securities

As our clients invest principally in real estate assets, we are rarely required to vote client securities in a proxy process. However, if we are required to vote proxies for any of our Funds or Platforms, we will do so in the interest of maximizing value for the investors. To that end, we will endeavor to vote proxies in the manner that we determine in good faith will be the most likely to cause the investments of the applicable Fund or Platform to increase the most or decline the least in value. Consideration will be given to both the short and long-term implications of the proposal to be voted on when considering the optimal vote. We will also be responsible for voting the proxies in the best interest of the applicable Fund or Platform and submitting the proxies promptly and properly. Stockbridge does not accept direction from Fund investors or Platform members with respect to proxy voting. To the extent that Stockbridge determines a material conflict of interest exists, the applicable Portfolio Manager will determine with Stockbridge's Conflicts Committee whether it is appropriate to disclose the conflict to the affected clients, or to address the voting issue through other appropriate means such as receiving an independent third-party voting recommendation.

SMA Clients may elect to delegate their proxy voting authority to us. Alternatively, SMA Clients may choose to receive proxies related to their SMAs, in which case we will consult with clients with respect to such proxies as requested. When we have discretion to vote proxies of an SMA Client, we will vote those proxies in the manner we believe to be in the best interests of such SMA Client and in accordance with our established policies and procedures. With respect to ERISA accounts of SMA

Clients, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies.

SMA Clients and investors may obtain a copy of our complete proxy voting policies and procedures by contacting our Chief Compliance Officer using the contact information on the cover page of this document. Clients and investors may also request, in writing, information on how proxies were voted.

Stockbridge does not typically participate in class actions on behalf of the clients. If documents are received by an SMA Client, Stockbridge will gather any requisite information and forward it to the SMA Client to enable the SMA Client to file the "Class Action" at the SMA Client's discretion.

Item 18 Financial Information

Stockbridge does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Stockbridge is not aware of any financial condition that is reasonably likely to impair its ability to meet the contractual commitments to its clients.

Stockbridge has not been the subject to a bankruptcy petition at any time during the past 10 years.