

**CROW HOLDINGS CAPITAL**

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**This brochure provides information about the qualifications and business practices of Crow Holdings Capital. If you have any questions about the information contained in this brochure, please contact us at (214) 661-8000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.**

**This brochure does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of offering and governing documents that contain the material terms relating to such investments, products or services.**

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

March 29, 2024

## ITEM 2: MATERIAL CHANGES

The date of the last annual updating amendment to our firm brochure was March 30, 2023. A summary of certain of the material changes made to our firm brochure since the date of the last annual updating amendment is set forth below:

- We added disclosures and information regarding our credit platform in Items 4, 5, 8, 11, 12 and 15.
- We added disclosures and information regarding our separately managed account platform in Items 4, 5, 7, 15 and 16.
- We added disclosures and information regarding the core-plus fund in Items 5 and 12.
- We added disclosures and information regarding Crow Holdings Renewables in Items 8, 10, and 11.
- We added disclosures and information regarding our Partner Solutions business unit in Items 12 and 13.
- We updated disclosures regarding our advisory services generally in Item 4.
- We updated disclosures regarding our fees and compensation in Item 5.
- We updated disclosures regarding allocation of co-investment opportunities in Items 6 and 11.
- We made various changes, updates, additions and revisions to the risk factor disclosures set forth in Item 8.
- We updated disclosures regarding access to information in Item 10.
- We updated disclosures regarding allocation of investment opportunities in Item 12.
- We updated disclosures regarding limited power of attorney in Item 16.

*The information set forth in this brochure is qualified in its entirety by the applicable offering, governing and/or account documents. In the event of a conflict between the information set forth in this brochure and the information in the applicable governing, account and offering documents, such documents shall control.*

***We encourage all clients and investors to carefully review this document and/or any other applicable disclosure or account documents in their entirety.***

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## ITEM 4: ADVISORY BUSINESS

### FIRM DESCRIPTION AND OVERVIEW

Crow Holdings Capital Partners, L.L.C. (“CHC”, “Crow Holdings Capital” or “we,” “us,” or “our”) provides investment management, advisory, administrative and other services to affiliated real estate pooled investment vehicles and other entities, accounts and ventures. Crow Holdings Capital began providing these services in 2011.

Our investment advisory services are provided in accordance with the investment objectives, strategies, guidelines, restrictions and limitations contained in the applicable offering, account and/or governing documents (as applicable), and the information in this brochure is qualified in its entirety by the information set forth in such documents.

We provide and perform non-advisory and other services (including non-advisory asset management services) for and with respect to various entities, accounts and persons who are not our advisory clients.

### PRINCIPAL OWNERS

The business and operations of Crow Holdings Capital generally are controlled by its manager, Oak Lawn Capital Advisors, Inc., which is owned and controlled by officers and directors of Crow Holdings Capital and Crow Family Holdings. A majority of the equity interests in Crow Holdings Capital is owned by Crow Family Holdings and, as majority owner, Crow Family Holdings has the authority to take certain actions with respect to Crow Holdings Capital, including removal of its management teams.

As used herein, “Crow Family Holdings” means (i) Crow Family, Inc., a Texas corporation, Crow Holdings, L.P., a Delaware limited partnership, or any successors thereto and (ii) entities owned and controlled by any two or more of the Harlan R. Crow Family Branch Partnership, L.P., the Trammell S. Crow Family Branch Partnership, L.P. and the Stuart M. Crow Family Branch Partnership, L.P. **See Item 10.**

### TYPES OF ADVISORY SERVICES

We provide investment management, advisory, administrative and other services to affiliated private pooled investment vehicles and ventures (“Funds”) with respect to investments in real estate and real estate related assets, interests and investments, including, without limitation, warehouses (including self-storage buildings), industrial real estate, retail centers, retail convenience store and gas station assets, multi-family housing (including senior-living housing, student housing, rental and for-sale housing and attainable housing), office buildings, hotels, medical office buildings and hospitals, manufactured housing, car washes, land, single family residential lot development and debt secured, directly or indirectly, thereby, and private real estate operating companies.

With respect to our credit platform, we provide advisory, administrative and other services to clients primarily with respect to investments in commercial real estate loans and real estate related preferred equity interests, including (i) senior subordinate loans, senior mezzanine loans, subordinate “B” notes and preferred equity investments in connection with the financing of a property acquisition or development, and (ii) stretch senior loans and lender recapitalizations.

Our Partner Solutions business unit seeks to provide strategic capital to address the liquidity needs of real estate sponsors, developers and operators, and provides investment advice and recommendations with respect to (i) investments in, realization of, or acquisition of equity interests in real estate or real estate related partnerships, funds, or similar investment structures operated by a general partner or manager that is not affiliated with or controlled by us or any of our affiliates, (ii) investments made as a limited partner or similar equity interests in real estate funds, partnerships or co-investments, and (iii) non-controlling interests in general partnership investments in real estate property and real estate related operating companies.

We and the affiliated general partners of the Funds (the “General Partners” and each a “General Partner”) are responsible for providing investment advice and advisory services to each Fund in accordance with the investment objectives, policies, limitations and guidelines set forth in its applicable offering and governing documents.

We also provide, and may in the future provide, discretionary or non-discretionary investment advisory, management and other services to one or more separately managed account clients. Such accounts generally have customized mandates and participate in investments or opportunities that are consistent with such mandate (typically investing alongside or together with one or more applicable Funds or clients). Such separately managed accounts are or may be subject to terms that differ from the terms of the Funds, including, without limitation, with respect to permitted investments, fees, governance, liquidity rights, transparency rights and/or termination rights. We manage each separately managed account client in accordance with its investment objectives, strategies, restrictions and guidelines, which are set forth in an investment management agreement with such client or otherwise incorporated into such client’s governing documents.

Our advisory services primarily consist of (i) investigating, diligencing, sourcing, identifying and evaluating investment opportunities; (ii) structuring, negotiating, acquiring, syndicating, originating, purchasing, initiating, financing, developing and making investments on behalf of clients; (iii) managing, operating, servicing and monitoring the performance of such investments; and (iv) selling, disposing, exiting, liquidating, disposing and otherwise dealing with such investments on behalf of clients. We and our affiliates also provide administrative and other non-advisory services with respect to Funds and certain other advisory clients.

Clients oftentimes invest indirectly through one or more subsidiary or investment entities including, but not limited to, real estate investment trust subsidiaries, corporations, limited liability companies, partnerships, parallel entities, joint ventures and other arrangements in which clients have direct or indirect interests.

In addition to the foregoing, we and our affiliates provide (and may in the future provide) asset management and other non-advisory services to persons, entities, vehicles, ventures, accounts and/or funds concerning real estate assets that do not involve or relate to securities and do not involve investment advisory services and advice, including services and advice to joint ventures and other entities, vehicles and accounts with respect to direct investments in real estate properties or assets.

As the context otherwise requires, any reference in this brochure to a Fund or the Funds also includes any separately managed accounts or other types of clients managed and/or advised by Crow Holdings Capital, as and to the extent applicable.

## **INVESTMENT RESTRICTIONS**

We provide investment management, advisory, administrative and other services to each client in accordance with the investment objectives, strategies, policies, guidelines and limitations set forth in the applicable offering, account and governing documents. The information in this brochure is qualified in its entirety by the information and disclosures set forth

in the applicable governing, account and offering documents of each client, and each client and investor should refer to the applicable offering, governing and account documents of the applicable client for complete information regarding the investment objectives, investment restrictions and other material information with respect to such client. Information about each Fund is set forth in its applicable governing, offering and/or disclosure documents.

The General Partners and certain of our affiliates thereof have entered into and may in the future enter into side letter agreements or similar arrangements with certain investors in the Funds that have the effect of establishing rights under, or altering, modifying, waiving or supplementing the terms of, the governing documents of such Funds in respect of such applicable investors. Among other things, these side letter agreements entitle or may entitle an investor in a Fund to lower fees or preferential economic terms, expanded or additional information or transparency rights, most favored nations status, excuse rights with respect to certain investments, notification rights, rights or terms necessary or advisable in light of particular legal, regulatory or public policy considerations of or related to an investor and/or other preferential rights and terms.

Interests in the Funds are privately offered only to eligible investors pursuant to exemptions under the Securities Act of 1933, as amended, and the regulations promulgated thereunder. The Funds are not registered with the SEC as investment companies based on specific exclusions from the definition of investment company under the Investment Company Act of 1940, as amended.

The investment objectives, strategies, limitations and guidelines, fee arrangements and terms applicable to single investor Funds and separately managed accounts are individually and separately negotiated with each such client.

## **REGULATORY ASSETS UNDER MANAGEMENT**

As of December 31, 2023, we had a total of approximately \$13,970,302,962 in regulatory assets under management. Of our total regulatory assets under management, approximately \$13,719,671,000 was managed on a discretionary basis and approximately \$250,631,962 was managed on a non-discretionary basis.

## **ITEM 5: FEES AND COMPENSATION**

### **FEE SCHEDULES**

The fees and expenses applicable to or required to be borne by each Fund or client are set forth in detail in the applicable offering, account and/or governing documents. A brief summary of our standard fees and expenses is set forth below.

Subject to the terms and conditions set forth in the applicable governing or account documents, we generally receive a management fee, payable quarterly in advance, from each Fund in an amount equal to:

- during the investment period, a percentage (up to 1.5% per annum) of each limited partner's aggregate capital commitment with respect to the Fund as a whole or a pool of assets in such Fund; and
- after the investment period (or after the date on which we are entitled to receive a management fee in respect of a successor fund, if applicable), a percentage (up to 1.5% per annum) of each limited partner's invested capital in

respect of investments (or a portion of such investments) that have not been the subject of a complete or partial disposition.

With respect to the core-plus Fund, we generally receive a management fee, payable quarterly in arrears, equal to a percentage (up to 1.05% per annum) of the net asset value of each investor's units as of the last day of the applicable quarter.

With respect to our credit venture clients, we generally are entitled to receive a management fee, payable in advance, with respect to each investment equal to a percentage of the aggregate client commitments invested in or reserved or committed for, such investment.

Subject to the terms and conditions set forth in the applicable governing and/or account documents, the Funds generally are subject to a carried interest or incentive compensation or performance allocation equal to a percentage (up to 20%) of profits on distributions derived from the disposition of investments or the net profits allocable to each investor during the applicable performance period (as applicable) (following the return of contributed capital and a preferred rate of return on unreturned capital contributions to the investors or subject to a "high water mark" limitation or hurdle).

While management fees and/or carried interest distributions with respect to the Funds and each investor are not generally negotiable, a General Partner or Fund may enter into side letters or similar arrangements that reduce or change fees in certain circumstances in accordance with the terms set forth in the applicable offering and governing documents of each Fund. Our fees with respect to a Fund or all or certain investors in such Fund may deviate, differ or vary from the standard fee schedule described in this brochure, and detailed information regarding such fees will be set forth in the applicable governing and offering documents of such Fund. The fee arrangements with respect to single investor Funds and separately managed accounts are individually negotiated with such clients.

Moreover, with respect to certain Funds, (i) investors who make large commitments receive a reduction in the management fee percentage applicable to such investors, (ii) investors who make commitments to a Fund early in the fundraising process (such as at the initial closing or prior to a certain date) receive a reduction in the management fee percentage applicable to such investors or fee "holidays" or breaks for a certain period of time, and (iii) certain investors who made commitments to a prior fund of a Fund or a prior joint venture receive a reduction in the management fee percentage applicable to such investors in connection with investments in such Fund. In addition, we may from time to time in the future offer or provide new or additional types of fee breaks, reductions or discounts with respect to certain Funds, clients, joint ventures or investors.

Additionally, certain of our employees and former employees, employees and former employees of related persons and affiliates and/or other related parties and their affiliates are or may be subject to or eligible for different, lower or no management fees and carried interests or incentive compensation in connection with direct or indirect investments in a Fund or client (including indirect investments in a Fund through an employee investment vehicle established by one of our affiliates).

Fund documents may provide for reduced carried interest, performance allocations or other fees in certain circumstances (as set forth in the applicable governing and offering documents).

Subject to the terms and conditions set forth in the applicable governing, account and/or offering documents, we and/or our affiliates receive or charge various other types and forms of compensation from or with respect to certain Funds, joint ventures, clients, investors and/or investments, including, without limitation, (i) venture fees or other asset-based fees, (ii)

general contracting fees, (iii) development fees, (iv) construction services fees, (v) a promote, profits, or similar interest in entities formed to hold or own real estate investments, (vi) administrative, administration and/or servicing fees, and/or (vii) success fees upon realization of investments. With respect to our credit venture clients, we and our affiliates may receive, charge and retain application/processing fees and monitoring fees from borrowers or sponsors of credit or debt investments or loans or participations or preferred equity investments owned by such clients.

In connection with a portfolio investment, a Fund, client or a subsidiary thereof may enter into a transaction services agreement with one or more of our affiliates, pursuant to which an affiliate provides transaction services with respect to such portfolio investment, and such Fund or client or an applicable subsidiary thereof pays to such affiliate a development fee equal to four percent (4.0%) (or such lesser or greater percentage or amount set forth in the applicable governing documents) of the development costs of such portfolio investment.

With respect to clients or ventures advised by Partner Solutions, we or an affiliate are entitled to receive (i) a management fee equal to a percentage of the invested or committed capital of each investor limited partner, and (ii) a carried interest equal to a percentage of profits on distributions derived from the disposition of investments (following the return or payment to each investor limited partner of its contributed capital and an internal rate of return thereon).

#### **DEDUCTION OR PAYMENT OF FEES**

Subject to the terms of the applicable governing or account documents, management and other asset- or commitment-based fees generally will or may be funded with capital contributions called from investors or other investor payments, through withholdings from distributions or refinancings, and/or from a line of credit or borrowings carried by such funds, consistent with the applicable governing or account agreements. With respect to many of our clients, capital contributed by clients or investors to pay the management fee generally will not be credited against or reduce their unfunded or available commitments and such amounts generally will be in addition to the capital commitments of partners.

Subject to the terms of the applicable governing or account documents, carried interest distributions, performance allocations, and other performance-based compensation with respect to a client generally will be distributed or paid or allocated to us or our affiliates either (i) from time to time upon the disposition or refinancing of investments or from profits on distributions derived from operating proceeds or (ii) at the end of each applicable performance period.

Any other applicable fees and compensation with respect to a client will be payable in accordance with the terms set forth in the governing, account and offering documents relating thereto.

#### **OTHER FEES AND EXPENSES**

##### General

In addition to the fees and compensation described above, we and/or our affiliates will or may receive other types of fees, payments and compensation with respect to or in connection with the advisory and other services provided with respect to Funds and clients (pursuant to and in accordance with the terms and conditions set forth in the applicable governing and account documents). Clients and investors should carefully review the applicable offering, governing and/or account documents for detailed information regarding the fees, costs and expenses applicable to each client.



We and our personnel and affiliates can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Funds that will not be subject to any management fee offset or otherwise shared with the Funds and/or their investors. For example, airline travel or hotel stays incurred as Fund expenses typically result in “miles” or “points” or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not *de minimis* or difficult to value, inure exclusively to us and/or such personnel and affiliates (and not the Funds and/or investors) even though the cost of the underlying service is borne by Funds.

#### Joint Venture Fees

The Funds form or may form joint ventures with third-parties to acquire investments. In order to offset increased costs associated with any such joint venture, our affiliates receive or may receive fees from such third-parties where such affiliates function as the manager of any such joint venture. Subject to certain conditions, a partner in a joint venture with a Fund (or an underlying property or venture owned by a Fund) may be entitled to receive incentive-based compensation or carried interests (or other profit allocations) from or with respect to such joint venture or the underlying real estate property. These fees generally are borne, directly or indirectly, by the applicable Funds. **See Item 6 below.**

#### Organizational and Operating Expenses

Subject to the terms and conditions set forth in the applicable offering, governing and account documents of each Fund, to the extent not paid or reimbursed by an entity in which a Fund and any parallel investment vehicle(s) holds an investment, each Fund generally will bear its *pro rata* share of expenses related to its operations and/or those of any parallel investment vehicle(s), including (i) those relating to legal, auditing, consulting and accounting (including accounting software), (ii) those incurred in connection with the identification, evaluation, structuring, underwriting, negotiation, acquisition, sourcing, researching, making, monitoring, development, ownership, origination, operation, management, hedging, financing, sale, restructuring, proposed sale, other disposition or valuation of investments and temporary Investments or investments and temporary Investments considered for the Fund, including, but not limited to, due diligence expenses, travel (including, with respect to air travel, the cost of business class or first class commercial airfare, and including travel to and from conferences relating to our services), lodging (including the cost of luxury accommodations), transportation, meals, entertainment, fees and expenses of finders, brokers, investment bankers, financial advisers and other similar entities, fees and expenses of legal counsel and other professionals such as accountants, tax consultants, environmental consultants, research consultants, appraisers, engineers, architects, insurance consultants, solvency experts and others retained by, or on behalf of the Fund, and fees and expenses in connection with any acquisition services, project and entity accounting or financing services performed by third-parties, (iii) those incurred as a result of a proposed transaction or investment by the Fund that is not consummated, to the extent not reimbursed by a third party, including all or any portion of such expenses that would have been allocable to one or more co-investors had such proposed transaction or investment been consummated, if the amount allocable to such co-investors is not paid by such parties, (iv) those incurred in connection with litigation, investigations, settlements or reviews of the Fund or other extraordinary events, D&O and E&O liability and other insurance and indemnity expenses, including the amount of any judgments or settlements, (v) those related to governmental or regulatory charges payable by the Fund (including taxes and other amounts related thereto) and those incurred in connection with any tax audit, investigation, proceeding, settlement or review of the Fund, in each case, except to the extent such amounts are (A) allocable to, or subject to indemnification by, a partner and (B) actually borne and paid by such partner, (vi) those incurred in connection with a purchase, sale, assignment, pledge or transfer of an investor’s interest or units in the Fund or the withdrawal, redemption or termination of an investor as a limited partner of the Fund (except to the extent allocable to or payable by, and actually borne and paid by, the applicable purchaser or investor, assignee, pledgee or transferee, as the case may be), (vii) those incidental to the transfer, servicing and accounting for the Fund’s cash and securities, including all charges

of depositories and custodians, (viii) those incurred by the General Partner or its designee in its capacity as the Fund's tax matters representative, (ix) those incurred in connection with the administering of and compliance with side letters entered into with any investor and the governing documents of a Fund, including summaries thereof, (x) those associated with the notification and election process in connection with any "most favored nations" provision of any side letter, including the preparation of any compendium related thereto, (xi) those associated with meetings of the investors, including the annual meeting of investors (including payments to our affiliates or the affiliates of the General Partner of a Fund for certain charges, including but not limited to customary facilities, food and beverage, and other similar charges), (xii) those related to distributions to the investors, (xiii) those of the advisory committee of a Fund, including payments to our affiliates or affiliates of the General Partner for certain charges, including but not limited to customary facilities, food and beverage, accommodations, travel and other similar charges and legal counsel expenses pursuant to the Fund's governing documents, (xiv) those associated with defaults by partners, (xv) those relating to anti-money laundering or "know your customer" compliance, tax diligence expenses or related procedures, (xvi) those incurred in connection with any governmental or regulatory filings required to be made with respect to the Fund (including expenses related to the AIFM and Form PF), (xvii) those incurred in connection with any restructuring or amendments to the constituent documents of the Fund and related entities (except to the extent that the General Partner undertakes a restructuring of the Fund with the principal objective of improving the tax position of or solely for the benefit of us or the General Partner or our affiliates), (xviii) those related to fund administrator services and, as applicable, administration fees payable with respect to the Fund, (xix) those incurred in connection with the winding up and liquidating the Fund and its subsidiaries, (xx) those related to communications and the administration of the Fund or its subsidiaries, including, but not limited to, fees, expenses and costs incurred in connection with any software or online data portal utilized by the Fund or its subsidiaries, the preparation and circulation of funding notices, distribution notices and reporting (including fees, expenses and costs of any service providers), the maintenance of the Fund's books of account and other reports and the preparation of audited or unaudited financial statements required to implement the provisions of the governing documents of a Fund or by any governmental authority with jurisdiction over the Fund (including, without limitation, fees and expenses of independent auditors, accountants and counsel, the costs and expenses of preparing and circulating the reports called for by the Fund (including its proportionate share of the costs of any investor portal) and any fees or imposts of a governmental authority imposed in connection with such books and records and statements) and other routine administrative expenses of the Fund and its subsidiaries, including, but not limited to, the cost of any software used in connection with these or similar expenses, the cost of the preparation of returns, Schedule K-1's, cash management expenses and insurance and legal expenses, (xxi) those incurred in connection with the collection of any amounts due to the Fund or its subsidiaries or our affiliates from any entity, and (xxii) all expenses (including mark-to-market related expenses) incurred in connection with any indebtedness of the Fund and the "real estate investment trust" of the Fund ("REIT") or other credit arrangement (including any credit facility, loan commitment or letter of credit for the Fund or related to any investment (or any underlying asset)) and those incurred in negotiating, entering into, effecting, maintaining, varying and terminating any borrowing, guarantee or other credit arrangement permitted to be incurred under the applicable governing and/or account documents. In addition, each Fund generally will (x) bear 100% of the expenses incurred in the operation of any wholly-owned subsidiary of such Fund (including Fund REITs), and (y) not bear any expenses incurred in the operation of any feeder and any related regulatory and reporting expenses, including without limitation, expenses related to compliance with the AIFM Directive. Any expenses described in clause (y) above will be borne by the applicable parallel investment vehicle(s). The foregoing is qualified in its entirety by the applicable governing, offering and account documents of each client, and each investor and client should carefully review the applicable governing and account documents for details regarding the fees, costs and expenses applicable to such client.

Subject to the terms and conditions of the governing or account documents, a Fund or client may be required to bear or reimburse us or an affiliate for certain of our overhead or operating expenses.

Subject to certain terms and limitations, each Fund generally is required to bear and pay its pro rata or allocable share of the expenses incurred in (i) the formation or organization of such Fund, any parallel investment vehicle, any feeder investment vehicle, the General Partner of such Fund and its affiliates, (ii) the offering and sale of interests in the Fund and any such parallel investment funds and (iii) the negotiation, execution and delivery of the applicable governing documents of a Fund and such applicable parallel investment vehicles, the investment management agreement and any related or similar documents including, without limitation, any (x) related legal and accounting fees and expenses, (y) related travel expenses (including with respect to air travel, the cost of business or first class commercial airfare), accommodation and lodging expenses, meal expenses, offering expenses, entertainment expenses and similar types of costs and expenses and (z) filing fees directly related to the Funds, any parallel investment vehicles or any alternative investment vehicle(s). Any “REIT expenses” generally are borne by the applicable REIT (and indirectly the applicable Fund) and any non-U.S. expenses generally are borne by the applicable parallel investment vehicle(s).

Subject to the terms and conditions set forth in the applicable governing documents, it is generally expected that the investors in a Fund will collectively bear the aggregate expenses of such Fund (other than the management fee), including the costs and expenses that may be attributable to (i) a single parallel investment vehicle, feeder investment vehicle, alternative investment vehicle or similar alternative structure, or other Fund entity through which an investor may not participate, or (ii) an investment in which an investor does not participate. As a result, an investor may bear a greater amount of costs and expenses than if the costs and expenses attributable to one or more Fund entities or investments, as applicable, were specially allocated to the investors actually participating in such Fund entities or investments, as applicable.

We face or may face or be presented with conflicts of interest in allocating certain costs and expenses between or among the applicable Funds, ourselves and our affiliates. We allocate or attempt to allocate costs and expenses among applicable clients (and, in certain applicable instances, our affiliates and other entities) in accordance with the applicable governing documents and allocation policies and procedures that are reasonably designed to allocate expenses in a fair and equitable manner under the circumstances among applicable clients. The allocation of expenses inherently requires subjective judgment and there can be no assurance that one or more Funds or a Fund will not bear a disproportionate share of expenses. Certain third-party costs may be incurred for the benefit of a Fund or Funds, investment entities, successor funds and their respective portfolio companies, the General Partner(s), us or our affiliates. For example, insurance costs are typically allocated between the various parties primarily based on the relative assets under management among the relevant parties, asset type, asset values or such other method as we deem fair and reasonable. Determining the parties’ allocable share of such costs, or otherwise allocating such costs and expenses, requires our subjective judgment and there can be no assurance that the Funds and the relevant investment entities will not bear a disproportionate share of such costs.

With respect to consummated investments or transactions, applicable co-investors generally will bear their pro rata share of fees, costs and expenses related to the discovery, investigation, development, acquisition or consummation, holding, ownership, maintenance, monitoring, hedging and disposition of their co-investments. In certain circumstances, co-investors will also be required to pay their *pro rata* share of fees, costs and expenses related to potential investments that are not consummated, such as breakup fees or broken deal expenses. While we endeavor to allocate such fees, costs and expenses on a fair and equitable basis, there can be no assurance that such fees, costs and expenses will in all cases be allocated appropriately. In addition, co-investors may not agree to pay or otherwise bear fees, costs and expenses related to unconsummated co-investments (and in certain circumstances, co-investors may not bear such fees, costs and expenses because they have not been identified as of the time such potential investment ceases to be pursued). In such event, such fees, costs and expenses will be considered operating expenses of and be borne by the applicable Funds.

In the event that a client or other person enters into an agreement or arrangement with us or an affiliate pursuant to which we or an affiliate provides or will provide or perform non-advisory services to such client or an affiliate or other person, such client or person may directly or indirectly be required to pay or bear separate fees to us or an affiliate as compensation for such non-advisory services and such fees will be exclusive of, and in addition to, the fees payable by such client under its applicable account or governing documents.

#### Other Investment Vehicle Expenses

Clients bear, directly or indirectly through their investment in other investment vehicles, subsidiaries or joint ventures (as applicable), their *pro rata* share of the offering, organizational and operating expenses of such other investment vehicle, subsidiary or joint venture, and expenses related to the investment of such assets, such as interest expenses, borrowing costs, transaction fees, fees payable to and expenses of joint venture partners and extraordinary expenses.

#### Custodial and Administration Fees

With respect to the Funds, administration fees are charged separately by the administrator and are in addition to the fees payable to us or an affiliate pursuant to the applicable governing and offering documents. As noted above, we and/or our affiliates are or may be entitled to receive administrative and other types of fees and compensation with respect to certain Funds and clients.

*The foregoing list is not intended to be exhaustive or complete with respect to any Fund and is qualified in its entirety by the governing, offering or account documents of such Fund, as applicable. Each Fund will or may bear and be responsible for any custodial and counterparty fees and expenses applicable to its investment and other activities.*

### **COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS**

Except as otherwise disclosed herein, neither we nor any of our supervised persons accept compensation for the sale of securities or other investment products.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As noted under **Item 5** above, we and/or certain of our affiliates receive performance-based compensation (including carried interest distributions and performance allocations) with respect to the Funds (as described in **Item 5** above). We and/or one or more of our affiliates may also receive such compensation from other Funds or clients in the future. **See Item 10 and Item 11.**

Carried interest distributions, performance allocations and performance-based fees and compensation could motivate us to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. The method of calculating the carried interest or performance allocations may result in conflicts of interest with respect to the management and disposition of investments, including the sequence of dispositions. Certain performance allocations are dependent, at least in part, on the unrealized value of certain investments. This could provide an incentive for us to utilize higher valuations. Certain of our individual employees, agents and affiliates may be compensated to some extent based upon investment profits for which they are responsible and, accordingly, may face the same potential conflict. In addition, the minimum holding period for most of our investments increased from one to three years in order for a U.S.

taxpayer's carried interest in respect of such investments to be taxed at rates applicable to long-term capital gain. The increase in the required holding period, or other laws (including applicable tax laws) applicable to carried interest, may create an incentive for us or our affiliates to make different decisions regarding the timing and manner of the realization of investments than would be made if long-term capital gain from the sale or disposition of capital assets did not require a three-year holding period. We attempt to address these conflicts through full and fair disclosure in the applicable governing and/or offering documents and/or this brochure.

We allocate investment opportunities between or among our applicable clients in accordance with the terms and conditions set forth in the applicable offering, account and governing documents of each client and our internal policies, procedures and guidelines (as amended or revised from time to time). We generally prohibit the allocation of investment opportunities based solely on anticipated compensation or profits to us or our affiliates. Each client has its own investment guidelines, objectives, limitations and parameters that must be taken into account when allocating investment opportunities, and such guidelines, objectives, limitations and parameters are set forth in detail in the applicable governing and account documents. **See "Allocation of Investment Opportunities" in Item 12.**

Subject to the terms and conditions set forth in the applicable offering, account and governing documents of a Fund, we may, but are not required to, elect to offer any co-investment opportunity to one or more investors, including Crow Family Holdings or an affiliate or related person thereof, or affiliates of investors or one or more third-parties, in each case, on such terms and conditions as we determine in our discretion, which such terms generally are expected to be more favorable than the terms set forth in the applicable governing documents of such Fund.

In determining to offer any co-investment opportunity in a specific investment, we generally will determine if the amount of an investment opportunity exceeds the amount we determine would be appropriate for the applicable Fund(s), taking account of relevant circumstances (including, without limitation, the size of the investment opportunity, the Fund's available commitments, the probability of follow-on investments related to such investment, the Fund's investment limitations, the Fund's governing documents and the construction of the applicable Fund's investments) before allocating any portion of such investment to one or more co-investors, unless we determine a particular co-investor may potentially add strategic value with respect to such investment or that offering such co-investment opportunity is otherwise in the best interest of the applicable Funds. While we intend to determine the availability of co-investment opportunities in good faith, the ability of Crow Family Holdings or its affiliates or related persons to participate in co-investment opportunities may create an incentive for us to offer co-investment opportunities in lieu of offering all of an investment opportunity to one or more Funds or other applicable clients.

In general: (a) no investor in a Fund has a right to participate in any co-investment opportunity (except as otherwise agreed with an investor and/or disclosed to applicable investors); (b) decisions regarding whether and to whom to offer co-investment opportunities are made in our sole discretion or other participants in the applicable transactions, such as co-sponsors; (c) subject to the terms and conditions of the applicable governing documents, co-investment opportunities may be offered to some and not other investors, in our sole discretion; (d) certain persons other than investors (e.g., Crow Family Holdings and related persons thereof and/or third-parties) may be offered co-investment opportunities, in our sole discretion; (e) the investment committee member(s) and other select CHC employees may invest in any offered co-investment opportunity and such opportunity may not be offered to the investors; and (f) co-investors may purchase their interests in the underlying investment at the same time as the applicable Fund or may purchase their interests from the Fund after the Fund has consummated its investment in the investment (also known as a post-closing sell down or transfer). In certain instances, we may be incentivized to offer co-investment opportunities to one or more persons or entities. **See "Co-Investment Opportunities" in Item 11.**

## **ITEM 7: TYPES OF CLIENTS**

### **TYPES OF CLIENTS**

We provide advisory, management and other services to various types of clients including affiliated pooled investment vehicles, real estate investment trusts, special purpose vehicles, joint venture entities, separately managed accounts and other entities (including the Funds). We may in the future provide investment advisory, management and other services to other types of clients or persons. As disclosed in this brochure, we or an affiliate provide, and may in the future provide, certain non-advisory services (including asset management services) to various entities, persons and vehicles (including advice or recommendations regarding investments that are not securities and various administrative and other services).

### **ACCOUNT REQUIREMENTS**

In general, the minimum initial capital contribution or capital commitment, as applicable, required for an investor in a Fund is described in its applicable offering, governing and account documents. A General Partner or affiliate has accepted and may accept lesser amounts in its discretion (subject to applicable law).

To invest in the Funds, each investor generally is required to be, among other things, an “accredited investor” and either a “qualified purchaser” or “knowledgeable employee,” as each such term is defined in applicable U.S. securities laws. Investors and prospective investors in each Fund should refer to the applicable offering and governing documents of such Fund for complete information on the requirements for participation in such Fund.

We do not require or maintain any minimum or specific capital commitment or amount for separately managed accounts.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **METHODS OF ANALYSIS AND INVESTMENT STRATEGIES**

We generally seek to acquire a diversified portfolio of real estate and real estate assets and investments within the investment objectives of each Fund, including, without limitation, warehouses, retail centers, retail convenience store and gas station assets, land, multi-family housing (including senior-living housing, student housing, rental and for-sale housing and attainable housing), office buildings, hotels, medical office buildings/hospitals, self-storage buildings, car washes, manufactured housing, industrial real estate, single family residential lot development and debt secured, directly or indirectly, thereby, private real estate operating companies, and commercial real estate loans and preferred equity investments. Certain Funds pursue and may pursue a single strategy, such as small retail (including convenience or gas stations), self-storage, multi-family housing, and real estate private credit. We evaluate the market throughout the investment period and deploy capital where we believe that the best opportunities can be found on a risk-adjusted basis. To the extent consistent with the investment objectives of a Fund, we intend to primarily focus on sectors of real estate that historically have lower volatility and higher current income, such as retail, warehouse and multi-family.

With respect to the value-add diversified Funds, we typically finance each asset separately on a non-recourse basis (subject to customary non-recourse carve-outs) in order to avoid cross-collateralization. This minimizes the possibility of a “mistake” in the portfolio creating a domino effect on other holdings within such Fund. However, a separate guaranty of the debt or such non-recourse carve-outs is often required, which effectively cross-collateralizes all or a portion of the portfolio. We

strive to maintain appropriate levels of leverage. Additionally, we may also place leverage on smaller assets using one or more portfolio loans in an attempt to obtain improved debt terms and increase financing availability. Non-recourse financing may be more costly or expensive than recourse financing.

Single product Funds generally leverage their investments with non-recourse debt financing (subject to customary non-recourse carve outs) and may obtain recourse debt financing in select situations and provide, or have a subsidiary provide, guarantees for such carve-outs. Because some single product Funds intend to engage in portfolio financings and financing acquisitions where several investments are cross-collateralized, multiple investments in the portfolio will be subject to the risk of loss.

Subject to the terms and conditions set forth in the applicable governing documents, a Fund and/or any subsidiary of such Fund may enter into a credit facility (including any credit facility entered into jointly and severally with, on a cross-collateralized basis with, or for the benefit of, any one or more parallel investment vehicles, alternative investment vehicles and/or any of their respective subsidiaries) in furtherance of such Fund's or such subsidiary's business including, without limitation, to pay organizational and operating expenses, to provide interim acquisition financing or to provide additional leverage with respect to a Fund's investments and/or provide equity approved by the investment committee of Crow Holdings Capital for long-term use (subject to certain limits set forth in the applicable governing documents).

We seek to generate attractive risk-adjusted returns consistent with each Fund's investment objectives through the implementation of one or more investment strategies, including the following:

**Value Creation.** We target well-located properties with an in-place income stream and the opportunity to produce appreciation through the implementation of value creation tactics such as (i) increasing net operating income, (ii) redevelopment, (iii) asset repositioning, (iv) acquiring assets in recovering markets, and (v) buying below replacement cost.

**Development.** As the competition for income producing assets has increased, development projects in markets with strong job growth or in supply constrained sub-markets increasingly attract investor capital. We target development opportunities with strategic local operators.

**Negotiated Transactions.** In a competitive investment environment, exploitation of a wide network of relationships is critical to placing capital effectively. We continually tap into our network of relationships to gain market knowledge and source transactions on a negotiated or limited competition basis.

**Flexibility.** We have the depth of management and experience to react quickly to changes in the market cycle and capitalize on windows of opportunity in the real estate market.

**Niche Investments.** We seek to leverage our experience in investing in niche property types, such as self-storage and manufactured housing, to enhance overall portfolio diversification. In addition to increasing portfolio diversification, such investments may be seen as defensive and resilient to market cycles due to the unique characteristics of certain niche property types. Such characteristics include, but are not limited to: need-based demand drivers, sticky tenancy, fragmented ownership, small transaction sizes, and lower leasing costs.

With respect to our credit platform, we primarily invest in a variety of commercial real estate loans and real estate related preferred equity investments, including (i) senior subordinate loans, senior mezzanine loans, subordinate "B" notes and

preferred equity investments in connection with the financing of a property acquisition or development and (ii) stretch senior loans and lender recapitalizations.

Our Partner Solutions business unit seeks to provide strategic capital to address the liquidity needs of real estate investors, sponsors, developers and operators, and targets investments located primarily in North American markets across a range of real estate property types and sectors, including niche property sectors (such as self-storage, data centers, medical office, life sciences, etc.). Partner Solutions provides investment advice and recommendations to clients with respect to (i) the investment in, recapitalization of, or acquisition of, equity interests in real estate (or real estate related) partnerships, funds or similar investment structures that will be operated by a general partner or manager that is not affiliated with or controlled by us or our affiliates; (ii) investments, made as a limited partner (or similar equity interests, including secondary market acquisitions), in real estate funds, real estate partnerships, or real estate co-investments; and (iii) non-controlling interests in general partnership investments in real estate property and real estate related operating companies.

*The investment strategies summarized above are not intended to be comprehensive or exhaustive. With respect to each of the Funds, the information set forth above is qualified in its entirety by the information set forth in its applicable offering, account and governing documents. For more information regarding the investment strategies and processes of each Fund, please refer to the applicable offering, account and governing documents.*

## **CERTAIN RISK FACTORS**

*There can be no assurance that we or our clients or investors will achieve their investment objectives or that investments will be profitable. Our investment strategies involve a substantial degree of risk, including risk of complete loss. Nothing in this brochure is intended to imply, and no one is or will be authorized to represent, that our investment strategies are low risk or risk free. Our investment strategies are appropriate only for sophisticated persons who fully understand and are capable of bearing the risks of investment. The various risks outlined below are not the only risks associated with our investment strategies and processes and will not necessarily apply to each client or investor. With respect to each Fund, the following risks and conflicts are qualified in their entirety by the risks set forth in the applicable offering documents.*

**General Risks of Real Estate.** All real estate investments, ranging from equity investments to debt or credit investments, are subject to some degree of risk. For example, real estate investments are relatively illiquid and, therefore, will tend to limit a Fund's ability to vary such Fund's portfolio promptly in response to changes in economic or other conditions. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuation and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of the investments. In addition, the ability of a Fund to realize anticipated rental and interest income on its equity and debt investments will depend on many factors which may be beyond our control, including on the financial reliability of the investments' tenants and borrowers, the location and attractiveness of the properties in which it invests, the supply of comparable space in the areas in which its properties are located (affected, for instance, by overbuilding) and general economic conditions. There is no assurance that the investments will be profitable or that cash flow will be available for distribution to partners. Other risks include (a) changes in general economic or local conditions; (b) changes in or promulgation and enforcement of zoning, land use, building, environmental protection, occupational safety and other governmental laws and regulations; (c) changes in operating expenses; (d) changes in real estate tax rates; (e) changes in interest rates; (f) changes in costs and terms of mortgage loans; (g) unavailability of mortgage funds which may render the construction, leasing, sale or refinancing of a property difficult; (h) fluctuations in energy prices and energy and supply shortages; (i) changes in the relative popularity of properties; (j) changes in the number of buyers and sellers of properties; (k) the financial condition of borrowers and of tenants, buyers and sellers of property; (l) the imposition of rent controls; (m) the ongoing need for capital improvements; (n) cash-flow risks; (o)



construction risks; (p) natural catastrophes, pandemics, epidemics, outbreaks of disease and other public health issues (and governmental actions or measures in response to such developments); (q) acts of war, terrorism or civil unrest; (r) various uninsured or uninsurable risks and uninsurable losses; and (s) other factors beyond the control of us or the management of the Funds. As investments in real estate generally are not liquid, there is no assurance that there will be a ready market for the investments.

Additionally, the Funds are, in certain instances, responsible for structural repairs, improvements and general maintenance of real property. The expenditure of any sums in connection therewith beyond those budgeted for by the Funds will reduce the cash available for distribution and may require the Funds to fund deficits resulting from the operation of a property. In acquiring a property, the Funds may agree to lock-out provisions that materially restrict it from selling that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed on that property. No assurance can be given that the Funds will have funds available to make such repairs or improvements. These factors and any others that would impede a Fund's ability to respond to adverse changes in the performance of its assets could significantly affect such Fund's financial condition and operating results.

Investments are subject to various risks which may cause fluctuations in occupancy, rental rates, operating income and expenses or which may render the sale or financing of properties difficult or unattractive. For example, following the termination or expiration of a tenant's lease there may be a delay before a Fund will begin receiving rental payments under a replacement lease. During that period, the Funds will continue to bear fixed expenses such as interest, real estate taxes, maintenance and other operating expenses. In addition, declining economic conditions may impair a Fund's ability to attract replacement tenants and achieve rental rates equal to or greater than the rents paid under previous leases. Increased competition for tenants may require the Funds to make capital improvements to properties which would not have otherwise been planned. Ultimately, to the extent that a Fund is unable to renew leases or re-let space as leases expire, decreased cash flow from tenants will result, which will adversely impact such Fund's operating results.

In some instances, the principal asset of the lessee of a property may be only the tenant's improvements thereon, or the liability of the lessee may be limited to its interest in such improvements. In those cases, a Fund will be required to rely on the lessee's equity interest in the improvements for its security. In the event of a default by a lessee or other premature termination of a lease, a Fund may experience delays in enforcing its rights as lessor, may incur substantial costs in protecting its investment and may experience an impairment of value.

Investments in real estate debt involve many unique risks. For example, debt instruments may be "non-recourse" loans where the sole recourse for the repayment will be the underlying real estate-related asset. As a result, the ability of obligors to make payments is dependent upon the underlying real estate-related asset rather than upon the existence of independent income or assets of such obligors or any parent guarantees. The debt securities and instruments that a client invests in may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in obligors of such securities or loans repaying principal to the client earlier than expected, resulting in a lower return to the client than projected (even taking into consideration any make-whole or similar feature). In addition, certain of the debt securities and instruments in which a client invests may be structured so that all or a substantial portion of the principal will not be paid until maturity, which increases the risk of default at that time.

***Risks Associated with Certain Types of Real Estate.*** Subject to the terms and conditions set forth in the applicable governing or account documents, a Fund invests or may invest in various types of real estate properties and real estate assets and investments, including, without limitation, warehouses (including self-storage buildings), retail centers, retail convenience store and gas station assets, food and service retail, industrial, land, housing (including multi-family, senior-living housing,

student housing, rental and for-sale housing and attainable housing), office buildings, hotels, medical office buildings and hospitals, manufactured housing communities, car washes, single family residential lot development and debt secured, directly or indirectly, thereby, private real estate operating companies and/or commercial real estate loans, preferred equity investments and other real estate debt and credit investments, each of which is subject to the general risks associated with owning and operating real estate described in “*General Risks of Real Estate*” above. In addition, other factors that may adversely affect the value and successful operation of, and income generated from, these types of Investments include: the physical attributes of a building used to generate income, such as its age, condition, design, appearance, access to transportation and construction quality; location of the property, for example, a change in neighborhoods over time or desirability of the area to the target tenant population; ability of management to provide adequate maintenance and insurance; the types of services or amenities that the property provides; the property’s reputation; competition from other real estate investors, which may affect the number of similar properties available; the level of mortgage interest rates, which may encourage tenants to purchase rather than lease property; presence or construction of competing properties; the quality of tenants and tenant mix, such as the tenant population being heavily dependent on specific industries or businesses or, particularly with respect to residential real estate properties, being predominantly students; adverse local, regional or national economic conditions, which may limit the amount of rent that may be charged and may result in a reduction of timely rent payments or a reduction in occupancy levels; and federal, state, and local regulations, which may affect the building owner’s ability to increase rent to market rent for an equivalent property. Any of the foregoing could have a material adverse effect on the performance of an investment. In addition, investments in these sectors may also be adversely affected by the following particular risks:

*Residential Real Estate.* Certain jurisdictions regulate the relationship of an owner and its tenants. Commonly, these laws require a written lease, good cause for eviction, disclosure of fees and notification to residents of changed land use, while prohibiting unreasonable rules, retaliatory evictions and restrictions on a resident’s choice of unit vendors. Apartment building owners have been the subject of lawsuits under various “Landlord and Tenant Acts” and other general consumer protection statutes for coercive, abusive or unconscionable leasing and sales practices. There may be provisions that limit the bases on which a landlord may terminate a tenancy or increase its rent or prohibit a landlord from terminating a tenancy solely by reason of the sale of the owner’s building. In addition to state regulation of the landlord-tenant relationship, numerous towns and municipalities impose rent control on apartment buildings. These ordinances may limit rent increases to certain set percentages, to increases set or approved by a governmental agency, or to increases determined through mediation or binding arbitration. Similarly, governmental assistance programs that provide rent subsidies to tenants pursuant to tenant voucher programs may influence tenant mobility and the amount of rent a tenant can pay.

*Retail Properties.* In many cases, the tenants of retail properties may negotiate leases containing certain exclusive rights to sell particular types of merchandise or services within a particular retail center. When leasing other space after vacancy by another tenant, these provisions may limit the number and types of prospective tenants for the vacant space. In addition, certain retail properties may be anchored by department stores and other large nationally recognized tenants. The value of Investments could be materially and adversely affected if these “anchor” tenants fail to comply with their contractual obligations or cease their operations. In particular, certain department stores and other national retailers have experienced, and may continue to experience for the foreseeable future, considerable decreases in customer traffic in their retail stores due to, among other factors, increased competition from alternative retail options such as those accessible via the Internet. As pressure on these department stores and national retailers increases, their ability to meet their obligations as a tenant may be impaired and result in closures of their stores or their seeking of lease modifications. Any lease modification could be unfavorable and could decrease rents or expense recovery charges. Other tenants in turn may be entitled to modify the economic or other terms of, or terminate, their existing leases in the event of closures by such “anchor” tenants.

*Hospitality Properties.* Because hotel rooms generally are rented for very short periods of time, hospitality properties tend to be affected more quickly by adverse economic conditions and competition than other commercial properties. Hospitality properties are also affected by other particularized factors, including: franchise affiliation (or lack thereof); continuing expenditures for modernizing, refurbishing and maintaining existing facilities prior to the expiration of their anticipated useful lives; a deterioration in the financial strength or managerial capabilities of the owner and operator of a hotel or motel; and changes in travel patterns caused by changes in access, energy prices, strikes, relocation of highways, the construction of additional highways or other factors. The performance of a hotel property affiliated with a franchise or hotel management company depends in part on: the continued existence and financial strength of the franchisor or hotel management company; the public perception of the franchise or hotel chain service mark; and the duration of the franchise licensing or management agreements. Furthermore, the ability of a hotel to attract customers, and some of such hotel's revenues, may depend in large part on its having a liquor license. Liquor licenses may not be transferable (for example, in connection with a foreclosure). Moreover, the hotel and lodging industry is generally seasonal in nature; different seasons affect different hotels depending on type and location. This seasonality can be expected to cause periodic fluctuations in a hospitality property's room and restaurant revenues, occupancy levels, room rates and operating expenses. In addition, acts of war, terrorist activities, natural disasters and environmental disasters and pandemics can have a material adverse impact on the tourism and convention industries, which directly affects the revenues generated by hospitality properties. Finally, hospitality properties are facing new and increased competition from non-traditional market players, including those focused on the sharing economy, which may disrupt the hospitality industry and reduce demand for traditional hotel.

*Industrial Real Estate.* Funds invest or may invest in industrial properties. Significant factors impacting the value of industrial properties include, among other things, the quality of tenants, a reduced demand for industrial space because of a decline in a particular industry segment, property becoming functionally obsolete, building design and adaptability, changes in access, energy prices, strikes, changes in proximity of supply sources, the expenses of converting a previously adapted space to general use, and the location of the property (including the availability of labor sources, proximity to supply sources and customers and accessibility to rail lines, major roadways, ports and other distribution channels). Concerns about the quality of tenants, particularly major tenants, are similar in both office properties and industrial properties, although industrial properties may be more frequently dependent on a single or a few tenants. Lease terms with respect to industrial properties are generally for shorter periods of time and may result in a substantial percentage of leases expiring in the same year at any particular industrial property. In addition, properties used for many industrial purposes are generally more prone to environmental concerns than other property types.

*Manufactured Housing Communities.* Certain Funds invest or may invest in manufactured housing communities. The manufactured housing industry is generally subject to many of the same national and regional economic and demographic factors that affect the housing industry generally. These factors, including without limitation public perception, consumer confidence, inflation, regional population and employment trends, availability of and cost of alternative housing, weather conditions and general economic conditions, tend to impact manufactured homes to a greater degree than traditional residential homes. Other factors impacting the value of manufactured housing investments include, among other things, competition from other available manufactured housing sites or available land for the placement of manufactured homes outside of established communities and alternative forms of housing (e.g., apartment buildings and site built single-family homes), and local real estate market conditions, such as the oversupply of manufactured housing sites or a reduction in demand for manufactured housing sites in an area. In addition, the inability to secure zoning or permits from local authorities may pose a significant barrier to entry for developing new manufactured housing sites. Many communities have significant barriers and limits on developing new manufactured housing communities or expanding existing ones.

*Student Housing.* The value of any student housing investments will be subject to the following risks inherent in the student housing industry – annual leasing cycle, short lease-up period, seasonal cash flows, changing university admission and housing policies, among others. Student housing properties generally have short-term leases of twelve months, ten months or shorter. As a result, a Fund may experience significantly reduced cash flows during the summer months from student housing properties while most students are on vacation. Furthermore, student housing properties must be almost entirely re-leased each year and are typically leased only during a limited leasing season that usually begins in January and ends in August of each year, causing an increased leasing risk. Changes in university admission policies or overall student enrollment levels could also adversely affect the investment return on student housing properties. Federal and state laws require colleges to publish and distribute reports of on-campus crime statistics, which may result in negative publicity and media coverage associated with crimes occurring on or in the vicinity of any Fund’s student housing properties. A Fund may also face significant competition from university-owned on-campus student housing, from other off-campus student housing properties and from traditional multifamily housing located within close proximity to universities. On-campus student housing has certain inherent advantages over off-campus student housing in terms of physical proximity to the university campus and integration of on-campus facilities into the academic community. Additionally, colleges and universities can generally avoid real estate taxes and borrow funds at lower interest rates than private parties.

*Office Properties.* There is a general trend in office real estate for companies to increase employee telecommuting, flexible work schedules, open workplaces and teleconferencing. These practices enable business to reduce their space requirements. A continuation of the movement towards these practices could over time reduce the overall demand for office space and, in turn, place downward pressure on occupancy, rental rates and property valuations, each of which could have an adverse effect on a Fund’s investment. The need to reconfigure leased office spaces to increase utilization also may increase costs. Office properties generally require significant capital investment to acquire new tenants or retain existing tenants.

*Retail Convenience Store and Gas Stations (C&G).* Certain Funds acquire or may acquire properties that will be operated as convenience stores with gas station facilities, which will create additional environmental concerns. We intend to require tenants to comply with environmental laws, obtain and maintain environmental insurance, and to indemnify the Funds against environmental liability arising from the operation of the properties. However, a Fund could be subject to strict liability under environmental laws because such Fund owns the properties. There are certain losses, including losses from environmental liabilities, that are not generally insured against or that are not generally fully insured against because it is not deemed economically feasible or prudent to do so. There is also a risk that tenants may not satisfy their environmental compliance and indemnification obligations under the leases. Any of these events could substantially affect the value of a Fund’s investments.

*Self-Storage.* Certain of the Funds invest and may invest in self-storage buildings. The value of any self-storage investments will be subject to the following risks – shifts in population, demographics and consumer usage patterns in the areas in which such properties are located; demand for self storage in connection with economic slowdowns; oversupply in certain areas; and customer perception of security and safety of self-storage. In addition, customer preferences could shift to other product types thereby impacting the value of a self-storage property. A Fund may also face significant competition from self-storage operators, property developers and other storage alternatives. Many communities restrict the development of new self-storage properties or place significant barriers and requirements that increase the cost of development.

**Properties with No or Limited Operating History.** Newly-developed or newly-renovated properties generally will not have any operating or performance histories that will allow us to make objective pricing recommendations in acquisitions. The purchase prices of these properties are oftentimes based upon projections by us or others as to the expected operating results of such properties, subjecting a Fund to risks that such properties may not achieve anticipated operating results or may not achieve these results within anticipated time frames.

**Construction Risks.** Certain Funds invest or may invest directly or indirectly in existing or newly constructed properties. Investments owned by a Fund may be subject to completion of construction and development. If a Fund acquires a property for development or renovation, it may be subject to risks in connection with a developer's ability to control construction costs and the timing of completion of construction or a developer's ability to build in conformity with plans, specifications and timetables. In addition, development and renovation plans could be affected by delays in obtaining any necessary permits or consents from appropriate governmental agencies, strikes, adverse weather, shortages of materials and increases in the cost of labor and materials. Although we typically seek safeguards that are designed to minimize these risks, such as rights to require the tenant to purchase the property that is under development at a pre-established price designed to reimburse a Fund for all acquisition and development costs, there can be no assurance that the tenants will have sufficient funds to fulfill their obligations under these agreements. The builder's failure to perform may result in tenants terminating leases. These actions may increase a Fund's costs or necessitate legal action by it to rescind the purchase of a property, to compel performance or to sue for damages. Any such legal action may result in increased costs to a Fund.

In addition, certain properties may be subject to conservatory easements that prohibit the development of certain activities other than those specific activities already conducted on the property, and limit the ability to materially modify the existing layouts on the property.

A Fund (and/or its affiliates) may enter into guaranteed maximum price contracts with developers for the development of new construction properties. Such contracts involve counterparty risk since developers may not perform their contractual obligations in accordance with the terms of such contracts. In addition, such contracts may not be insured by surety bonds or guarantees, which would protect such entities in the event of loss or casualty. Without such protection, in the event of loss or casualty, such entities could lose their investments in such new construction properties.

**Volatility of Property Income.** The volatility of net operating income for a property is influenced by matters such as the length of tenant leases, the creditworthiness of tenants, the level of tenant defaults, the ability to convert an unsuccessful property to an alternative use, new construction in the same market as the mortgaged property, rent control laws or other laws impacting operating costs, the number and diversity of tenants, the availability of trained labor necessary for tenant operations, property management decisions, property location and condition, competition from comparable types of properties, any need to address environmental contamination at the property, the occurrence of any uninsured casualty at the property, changes in national, regional or local economic conditions and/or specific industry segments, declines in regional or local real estate values, declines in regional or local rental or occupancy rates, increases in interest rates, real estate tax rates and other operating expenses, changes in governmental rules, regulations and fiscal policies, including environmental legislation, acts of God, terrorism, social unrest, civil disturbances, the rate at which new rentals occur, the property's operating leverage (which is the percentage of total property expenses in relation to revenue), the ratio of fixed operating expenses to those that vary with revenues, and the level of capital expenditures required to maintain the property and to retain or replace tenants. A decline in the real estate market or in the financial condition of a major tenant will tend to have a more immediate effect on the net operating income of properties with short-term revenue sources (such as short-term or month-to-month leases) and may lead to higher rates of delinquency or defaults under mortgage loans secured by such properties.

**Competition for Investments.** The success of each Fund as a whole depends upon the identification and availability of suitable real estate investment opportunities that fall within the Fund's investment objectives and our ability to identify, negotiate, close, manage and exit those investment opportunities. The activity of identifying, completing and realizing on attractive investments is highly competitive and involves a high degree of uncertainty, especially with respect to timing. There can be no assurance that we will be able to locate and complete investments which enable any Fund to invest any portion of its committed capital in opportunities that satisfy such Fund's investment objectives or realize the value of these investments.

We compete for the right to make investments with an ever-increasing number of other parties, including other consortia, companies, other real estate investment partnerships and other private investment funds (including competition between or among different Funds), as well as individuals, financial institutions and other institutions, some of which may have greater resources than us. As a result of such competition, a Fund may have difficulty in making certain investments or, alternatively, a Fund may be required to make investments on economic terms less favorable than anticipated. Additionally, competition for investments may have the effect of increasing costs, thereby reducing investment returns to the Funds. If a Fund fails to make new investments or makes investments on less favorable terms, such Fund's financial condition and results of operations could be materially and adversely affected. The investors generally are required, nonetheless, to contribute capital to pay the management fees based on their respective commitments during the investment period of a Fund. The availability of investment opportunities is subject to market conditions, the prevailing regulatory conditions or the political climate in industries and regions in which the Funds may invest and other factors outside our control.

We or a Fund may from time to time compete with other clients, ventures, vehicles, accounts and programs managed, advised or sponsored by us or an affiliate (and certain real estate assets, investments or properties directly or indirectly owned by a Fund or vehicle may compete with properties, assets and investments owned by other clients, ventures, vehicles, entities, accounts and programs managed or sponsored by us or an affiliate). The activities and operations of us, Crow Family Holdings, CHI, TCR and entities, ventures, vehicles, funds, clients or programs managed or sponsored by us, TCR, CHI or other affiliates (and their investments) may materially impact or affect the investments, assets or properties owned or held by a Fund.

**Special Purpose Properties.** Certain properties may not be readily adaptable to other uses such as general residential, retail or office use. Therefore, if a property becomes unprofitable for its operator due to competition, age or improvements or other factors such that the tenant becomes unable to meet its obligations under the lease, the liquidation value of the property may be substantially less than if the property were readily adaptable to other uses. The receipt of liquidation proceeds could be delayed by the approval process of any state agency necessary for the transfer of the property.

**Financial Condition of Tenants.** Adverse changes in the operations of any property, or the financial condition of any tenant, could have an adverse effect on a Fund's ability to collect rent payments and, accordingly, on its ability to make distributions to limited partners. 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. At any time, a tenant may seek the protection of applicable 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 of a Fund. No assurance can be given that tenants will not file for bankruptcy protection in the future or, if they do, that their leases will continue in effect. These risks can be exacerbated to the extent that multiple investments owned by a Fund have exposure to the same or related tenant(s).

**Investments in Land/New Development and Redevelopment Risks.** A Fund may invest in direct or indirect interests in undeveloped land or under-developed real property, which may often be non-income producing and for which, in respect of such investments, much of a Fund's return is expected to result from value appreciation as opposed to operating income. In addition, some assets acquired by a Fund may require redevelopment in order to meet such Fund's investment strategy. To

the extent that a Fund invests in such assets, it will be subject to the risks normally associated with such assets, as well as the risks related to development and redevelopment activities. These risks include: the availability and timely receipt of zoning, building, land use and other regulatory or environmental approvals, the cost and timely completion of construction (including risks beyond our control, such as weather or labor conditions, insolvency of building contractors, the inability of contractors to perform their obligations or material shortages), defects in plans and specifications and the availability of both construction and permanent financing on favorable terms. These risks could result in additional time between the acquisition of an asset and the realization of a Fund's investment objectives for such asset, substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development or redevelopment activities once undertaken, any of which could have an adverse effect on a Fund. Properties under development or redevelopment, or properties acquired to be developed or redeveloped, may receive little or no cash flow while costs and expenses continue to be incurred from the date of acquisition through the date of completion of development or redevelopment and may experience operating deficits after the date of completion. Further, any delay in completing the development or redevelopment of an asset may result in increased interest and costs and the potential loss of previously identified purchasers or tenants. In addition, real estate market, economic and other conditions may change during the course of development or redevelopment, making such development or redevelopment less attractive than at the time it was commenced.

**Ground Lease Improvements.** Certain Funds invest from time to time in real estate properties that are subject to ground leases. As a lessee under a ground lease, a Fund may be exposed to the possibility of losing the property upon termination or an earlier breach by such Fund of the ground lease, which may adversely impact such Fund's investment performance. Furthermore, ground leases generally provide for certain provisions that limit the ability to sell certain properties subject to the lease. In order to assign or transfer rights and obligations under certain ground leases, a Fund will generally need to obtain consent of the landlord of such property, which, in turn, could adversely impact the price realized from any such sale.

**Unforeseen Acquisition Results.** Acquisitions made by the Funds may not prove to be successful. The Funds may encounter unanticipated difficulties and expenditures relating to any acquired properties, including contingent liabilities. The Funds may never realize the anticipated benefits of an acquisition, which could adversely affect their ability to dispose of properties or make distributions to limited partners.

**Possible Lack of Diversification.** While diversification is an objective of the Funds, there is no assurance as to the degree of diversification that will actually be achieved in the Funds' investments either by geographic region or property type, and it is likely that the asset mix of the Funds' will differ from that which would result if diversification was their primary investment focus. The asset diversification or asset mix attained by a Fund or a prior Fund is not a guarantee of such diversification for any other Funds. The Funds may participate in a limited number of investments and, as a consequence, the aggregate return of the Funds may be substantially adversely affected by the unfavorable performance of even a single investment. To the extent that the capital raised is less than the targeted amount, the Funds may invest in fewer investments than anticipated and thus be less diversified. If we make an investment in a single transaction with the intent of refinancing or selling a portion of the investment, there is a risk that we will be unable to successfully complete such a financing or sale. This could lead to increased risk as a result of the Funds having an unintended long-term investment and reduced diversification. In the event an investment fails to meet projections, a Fund may suffer partial or total loss of capital invested in such investment.

**Foreign Investments.** Subject to the terms and conditions set forth in the applicable offering memorandum and governing documents, a Fund may make investments in foreign countries. With any investment in a foreign country, there exists certain risks not typically associated with investing in U.S. securities, including risks relating to (a) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which a Fund's foreign Investments may be denominated, and costs associated with conversion of investment principal and income from

one currency into another, (b) differences between the U.S. and foreign securities markets, including potential price volatility in and relative illiquidity of some foreign securities markets, (c) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation, (d) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital and the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation and adverse economic and political development, (e) obtaining foreign governmental approvals and complying with foreign laws and regulations, (f) the possible imposition of foreign taxes on income and gains recognized with respect to such securities, (g) less developed corporate laws regarding fiduciary duties and the protection of investors, (h) differences in the legal and regulatory environment or enhanced legal and regulatory compliance, (i) political hostility to investments by foreign or private equity investors, and (j) less publicly available information.

In addition, laws and regulations of foreign countries may impose restrictions or approvals that would not exist in the United States and may require financing and structuring alternatives that differ significantly from those customarily used in the United States. Foreign countries also may impose taxes on a Fund and its investors. We will analyze risks in the applicable foreign countries before making such investments, but no assurance can be given that a political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by a Fund. Further, the legal systems in these countries may offer no effective means for a Fund or us to seek to enforce the Fund's rights or otherwise seek legal redress or to seek to enforce foreign legal judgments.

***Risks of Developing Property.*** Property development activities include, among others, the risks that we may abandon development projects after expending resources, construction costs of a project may exceed original estimates, occupancy rates and rents at a newly completed property may be less than anticipated and the construction and leasing of a property may not be completed on schedule. Development activities are also subject to risks relating to the inability to obtain, or delays in obtaining, all necessary zoning, land-use building, occupancy and other required government permits and authorizations.

***Potential Environmental Liabilities.*** Property owners are subject to potential liabilities under various federal, state and local laws, ordinances and regulations as well as common law principles relating to environmental protection (collectively, "Environmental Laws"). Among other things, certain Environmental Laws provide that 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 and subject the owner or operator of real property or a facility to claims or liability for the costs of removal or remediation of hazardous substances that are released at, in, on, under, or from real property or a facility. The cost of any required remediation and the owner's liability therefore as to any property are generally not limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner. In addition to claims for cleanup costs, the presence of hazardous substances on or the release of hazardous substances from a property or a facility and persons who arranged for off-site disposal activities could result in a claim by a private party for personal injury or property damage or could result in a claim from a governmental agency for other damages. Liability under such Environmental Laws can be imposed on the owner or the operator of real property or a facility without regard to fault or even knowledge of the release of hazardous substances and other regulated materials on, at, in, under, or from the property or facility. The presence of hazardous substances in amounts requiring response action or the failure to undertake necessary remediation may adversely affect the a Fund's ability to use or sell real estate or borrow money using such real estate as collateral, which could have an adverse effect on a Fund's return from such investment.

A variety of stringent federal, state and local laws and regulations govern the environmental aspects of the oil and gasoline business. Any noncompliance with these laws and regulations could subject Investments to material administrative, civil or



criminal penalties, or other liabilities. Additionally, compliance with these laws may, from time to time, result in increased costs of operations or decreased production, and may affect acquisition costs of investments in oil and gas businesses.

***Investment in Non-Performing or Troubled Assets.*** We may make substantial investments in nonperforming or other troubled assets that involve a degree of financial risk and there can be no assurance that a Fund's internal rate of return and/or cash multiple of invested capital objectives will be realized or that there will be any return of capital. Furthermore, investments in properties operating in workout modes or under Chapter 11 of the Bankruptcy Code may, in certain circumstances, be subject to additional potential liabilities that could exceed the value of the investor's original investment, including equitable subordination and/or disallowance of claims or lender liability. In addition, under certain circumstances, payments to the Funds and distributions by the Funds to the limited partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment under applicable law.

***Leverage of Investments.*** We leverage or may leverage a Fund's investments individually or as a portfolio (or a pool of assets in the portfolio) with non-recourse debt financing, subject to customary non-recourse carve-outs. A Fund also may obtain or utilize recourse debt financing on an unsecured basis or in select situations on secured financings and it may provide, or have a subsidiary provide, guarantees in such situations. Although the use of leverage may enhance returns and increase the number of investments that can be made, it also may substantially increase the risk of loss. Additionally, use of leverage (including at floating interest rates) on any particular investment will increase the exposure of such investment to adverse economic factors such as rising interest rates, severe economic downturns or deterioration in the condition of the investment or its market, and can impact the feasibility and/or returns in respect of any disposition as a result of applicable pre-payment penalties. This could impair such investment's ability to finance its future operations and capital needs and result in restrictive financial and operative covenants. Use of leverage at the portfolio level also exposes investments to the performance of other assets with which it is crossed. In the event a real estate investment is unable to generate sufficient cash flow to meet its principal and interest payments on its indebtedness, the value of a Fund's equity investment in such real estate investment could be significantly reduced or even eliminated. In connection with certain investments, a Fund may be required to provide completion guarantees. Borrowings under a proposed credit facility generally are secured, among other things, by the interests of the limited partners in the Funds and by their obligations to make capital contributions. Also, because certain of the single product Funds generally intend to engage in portfolio financings and financing acquisitions where several investments are cross-collateralized, multiple investments will be subject to the risk of loss. As a result, a Fund could lose its interests in performing investments in the event such investments are cross-collateralized with poorly performing or non-performing investments. Any inability of the Funds to repay such borrowings could enable a lender to take action against the limited partners.

Further, the current economic environment has caused some lenders to impose more stringent restrictions on terms of credit and additional adverse economic changes could result in further restrictions being imposed or a general reduction in the amount of credit available in the markets in which a Fund will seek to invest. Any negative impact from the tightening of, or adverse changes in, the credit markets may result in: (A) an inability to finance the acquisition of investments on favorable terms, if at all; (B) increased financing costs; or (C) financing with increasingly restrictive covenants. Such changes in turn may negatively impact the performance of investments. To the extent there is a lack of readily available and reasonably priced debt financing available to potential purchasers at the time a Fund is ready to dispose of an investment, such circumstances could materially and negatively affect the number of potential purchasers and the prices purchasers are willing to pay such Fund.

***Illiquidity of Investments.*** Although an investment may generate current income, investments are held for an indefinite period of time and the return of capital and the realization of gains, if any, from an investment generally will most likely occur

only upon the partial or complete disposition of such investment. While investments may be sold at any time, it is generally expected that the disposition of most investments will not occur for a number of years after such investments are made. It is unlikely that there will be a public market for the investments held by the Funds at the time of their acquisition, and such investments may require a substantial length of time to liquidate. Dispositions of such investments also may be subject to limitations on transfer or other restrictions that would interfere with the subsequent sale of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In addition, the Funds may invest in securities of privately held companies for which there is no public market, and the Funds will generally not be able to sell these securities unless such securities are registered under applicable securities laws or unless an exemption from such registration requirements is available. In addition, in some cases, a Fund may be prohibited or limited by contract from selling certain securities for a period of time, and, as a result, may not be permitted to sell an investment at a time it might otherwise desire to do so. There is also the risk that a Fund will be unable to dispose of such securities at attractive prices or otherwise execute a successful exit strategy.

**Bridge Financings.** A Fund may make an investment with the intent of selling, refinancing or otherwise reducing it, including through co-investment by one or more investors or third parties, after the closing of such investment. Any such investment may include assets that we may not have caused a Fund to acquire on a stand-alone basis (including, without limitation, because the risk/return profile or other characteristics of such assets may not be desirable or appropriate for the Fund), and we may seek to reduce the Fund's exposure to such assets through disposition, refinancing, co-investment or another transaction. In these situations, a Fund's strategy may depend, in part, upon its ability to sell, refinance or otherwise reduce its exposure to such investments after initially agreeing to consummate them. There can be no assurance in such instances that a Fund will be successful in doing so or that the terms of any such transaction will be attractive, including because there may not be sufficient interest in or for the assets or investors or third parties may not accept all or a portion of the amount offered for co-investment. If a Fund is unable to complete such an anticipated transaction, its investments will be less diversified than they otherwise would have been and the Fund may have greater exposure to certain investments, regions and sectors than intended or desired, including to assets that we would not have acquired on a stand-alone basis or to an investment that exceeds the amount that is permitted to be invested in a single investment that does not involve bridge financing. In addition, to the extent that a Fund is unable to complete an anticipated transaction, it may incur broken deal and related costs associated with the pursuit of such transaction.

Generally, in the case of a Fund reducing an investment involving interim bridge financing (including through disposition or co-investment), such transaction will be completed at a price negotiated by us and the purchaser taking into account the then-relevant facts and circumstances, which may include the Fund's cost of such investment (and an allocable portion of costs and expenses) and other market events and forces. There can be no assurance that such transaction price will be equal to or more than a Fund's cost of such investment or that it necessarily or accurately reflects the then-market value of such investment, all costs and expenses associated therewith, or any interest or other carrying cost that would typically be associated with such transaction. In addition, a Fund may face increased risk of inability to complete the transaction under certain market conditions, including when the investment has decreased in value while held by a Fund. A Fund will be required to bear the losses of such investment if such a transaction is not consummated or if the Fund is required to sell such portion of its investment at a reduced price to reduce the Fund's exposure to such investment.

**Co-Investments with Third Parties.** Funds and clients co-invest from time to time through jointly owned acquisition vehicles, partnerships, joint ventures or other entities with third parties and others that have economic or business interests or objectives that are different than or conflict with those of such applicable Funds and clients. In such situations, a Fund's ability to control its equity investments will depend upon the nature of the joint investment arrangements with such third parties and such Fund's relative ownership stake in such investments. A Fund may be a minority investor in these circumstances. In

addition, such arrangements may restrict a Fund's ability to dispose of such investments for potentially significant periods of time. Such co-investments involve risks in connection with such third-party involvement, including the possibility that a third party co-investor has financial difficulties, resulting in a negative impact on the investment, has economic or business interests or objectives (including with respect to the timing of sale) that are different than or conflict with those of the Fund, or may be in a position to take actions contrary to (or block actions which are consistent with) the Fund's investment objectives, which may result in negative consequences, including loss of capital. A Fund may be liable for certain actions of its co-venturers or co-investors. Co-investments may also involve higher costs than other investments. Co-venturers or co-investors potentially may include one or more limited partners and/or Crow Family Holdings and affiliates thereof. **See Item 11.**

***Service Providers and Joint Ventures.*** We, the Funds, the General Partners and our employees and personnel (and the employees and personnel of our affiliates) engage or retain, or cause the companies or properties in which a Fund or client makes investments to engage, retain or otherwise transact with, service providers and joint venture partners in connection with the operations, activities and business of a Fund or one or more of its investments or entities. Certain service providers, joint venture partners or their affiliates (including lenders, bankers, investment and commercial banking firms, introducers, brokers, attorneys and accountants) also provide services to, serve as joint venture partners of or have business, financial, personal or other relationships or arrangements with, other clients, investors, Crow Family Holdings, TCR, CHI, CHO, CHR, certain of our senior employees and/or certain of their respective affiliates. In addition, one or more of a Fund's, client's or non-advisory client's service providers or joint venture partners may be investors in another Fund or non-advisory client and/or sources of investment opportunities for one or more Funds, clients, non-advisory clients and other persons or entities. Certain of our employees and our affiliates have or may have ownership or financial or other interests in certain service providers and/or joint venture partners to a Fund or client. These and other factors may influence us and our affiliates in determining whether or not to select or engage or recommend such a service provider or joint venture partner for a Fund or client or any investment or property directly or indirectly owned by a Fund or client. Notwithstanding the foregoing, investment transactions for a Fund or client that require the use of one or more service providers generally will be allocated to service providers on the basis of our judgment as to best execution, the evaluation of which may include, among other considerations, such service provider's provision of certain investment-related services and research that we believe to be of benefit to such Fund or other clients.

In certain circumstances, service providers or their affiliates may charge different rates or have different arrangements for services provided to us, the General Partners, Crow Family Holdings, TCR, CHI, CHO, CHR or their affiliates as compared to service provided to clients and their investments, which may result in more favorable rates or arrangements than those payable by the clients or portfolio investments or properties.

As disclosed herein, the investment activities and operations of other clients, ventures, vehicles, entities or accounts managed or sponsored or advised by us or an affiliate (and the activities, duties and obligations of us and our personnel with respect to such other clients, ventures, vehicles, entities, persons or accounts), and their assets, investments and properties (including any assets owned directly or indirectly thereby) may from time to time conflict or compete with the activities and operations of a client or Fund (or one or more investments, assets, properties or securities owned directly or indirectly by such client or Fund). For example, a real estate property owned by a joint venture or other non-advisory client may be located in the same market, sub-market or geographical region or area as properties or assets owned by one or more of the Funds. Accounts or other ventures or vehicles managed or sponsored by us or our affiliates, and such investments, assets and properties, may compete with one another for tenants. The actions taken by us or our affiliates with respect to one client, venture, vehicle, account or entity (including non-advisory clients), or a property, asset or investment owned directly or indirectly thereby,

may have a material adverse effect on the properties, assets or investments directly or indirectly owned or held by one or more other clients, ventures or vehicles (including non-advisory clients).

**Loans by the Funds.** In connection with seeking investment opportunities, a Fund may make one or more loans to an entity by which such Fund holds, directly or indirectly, an investment. Any such loan made by a Fund involves the risk of loss of the entire amount of such loan. Moreover, it is possible that any contemplated follow-on investment with respect to an investment may not occur, limiting such Fund's ability to share in future appreciation with respect to such investment. In addition, by making such loans, a Fund may be subject to various laws and regulations applicable to lenders and the holding of such loans could potentially subject such Fund to "lender liability" risks.

**Risks Associated with Mezzanine Loans.** Certain Funds make or invest in mezzanine loans secured by ownership interests in entities owning commercial properties ("Mezzanine Loans"). Mezzanine Loans typically are subordinate to other debt obligations of the borrower, and therefore have more risk of loss than senior debt. Mezzanine Loans may include loans secured by one or more direct or indirect ownership interests in a company, partnership or other entity owning, operating or controlling, directly or through subsidiaries or affiliates one or more commercial properties. Although not secured by the underlying real estate, repayment of a Mezzanine Loan is dependent on the successful operation of the underlying commercial properties. It is expected that the commercial properties owned by such entities are or will be subject to existing mortgage loans and other indebtedness. As a result, the effective realization on the collateral securing a Mezzanine Loan in the event of default may be limited (as payment to the mezzanine lender following default will only take place once all amounts owing under the senior loans and any associated hedging instruments have been repaid in full).

Mezzanine Loans may also involve certain additional considerations and risks. For example, the terms of Mezzanine Loans may restrict transfer of the interests securing such loans (including an involuntary transfer upon foreclosure) or may require the consent of the senior lender or other members or partners of or equity holders in the related real estate company, or may otherwise prohibit a change of control of the related real estate company. These and other limitations on realization on the collateral securing a Mezzanine Loan or the practical limitations on the availability and effectiveness of such a remedy may affect the likelihood of repayment in the event of a default.

A Fund may also invest in mezzanine debt interests in real estate companies and properties whose capital structures may have significant leverage ranking ahead of its investments. While we anticipate that the investments will usually benefit from the same or similar financial covenants and other covenants as those enjoyed by the leverage ranking ahead of the investments and will usually benefit from cross-default provisions, some or all of such terms may not apply to particular investments. We anticipate that a Fund's usual security for its investments will be pledges of ownership interests, directly and/or indirectly, in a property-owning entity, and in many such cases such client may not have a mortgage or other direct security interest in the underlying real estate assets. Moreover, it is likely that a Fund will be restricted in the exercise of its rights in respect of certain of such investments by the terms of subordination agreements or inter-creditor agreements between such Fund (or its subsidiaries) and the debt ranking senior to the mezzanine capital. Accordingly, a Fund may not be able to take the steps necessary to protect such investments in a timely manner or at all and there can be no assurance that the rate of return objectives of such Fund or any particular investment will be achieved. To protect its original investments and to gain greater control over the underlying assets, a Fund may need to elect to purchase interests of senior creditors or take equity interests in the underlying assets, which may require additional investment by such Fund.

**Borrowings; Credit Facilities.** Subject to certain terms and limitations set forth in the applicable governing documents, the Funds have entered into and may in the future enter into credit facilities with one or more lenders in order to, among other things, finance the acquisition of investments, pay organizational and operating expenses, provide for interim acquisition

financing, provide additional leverage with respect to fund investments and/or provide equity approved by the investment committee for long-term use. Any such credit facility typically contains a number of common covenants that, among other things, might restrict the ability of a Fund and any subsidiary, if applicable, to: (i) acquire or dispose of assets or businesses; (ii) incur additional indebtedness; (iii) make cash distributions; (iv) create liens on assets; (v) enter into leases, Investments or acquisitions; (vi) engage in mergers or consolidations; (vii) make capital calls to the investors; (viii) amend certain documents, such as the applicable governing documents, or (ix) engage in certain transactions with affiliates, and otherwise restrict activities of a Fund (including its ability to acquire additional Investments, businesses or assets, or effect certain changes of control or asset sale transactions) without the consent of the lenders. In addition, such a credit facility may require a Fund to maintain specified financial ratios and comply with tests, including minimum interest coverage ratios, maximum leverage ratios, minimum net worth and minimum equity capitalization requirements. A Fund may incur indebtedness under such credit facility that bears interest at a variable rate. Economic conditions have resulted in higher interest rates and economic conditions could in the future result in even higher interest rates, which could increase debt service requirements on variable rate debt and could reduce the amount of cash available for various Fund purposes.

It is expected that this indebtedness, if incurred, will be secured primarily by the available or unpaid commitments of investors in a Fund. In connection therewith, the General Partner will be authorized, without any further action of the investors, to grant a security interest in the right to initiate capital calls and collect the available commitments. In addition, the investors may be required to confirm the terms of their commitments, provide financial information and execute other documents as may be required by debt providers to a Fund. Investors whose available or unpaid commitments have been pledged may be called upon to fund their entire available or unpaid commitments to repay indebtedness and the failure of other investors to honor their commitments may result in an investor's payments exceeding its *pro rata* share of the indebtedness that has been incurred by the Fund. An investor may also be required to fund amounts to repay subscription-based credit facility borrowings incurred in connection with an Investment even if such investor did not participate in the relevant investment in connection with which such borrowings were incurred. In addition, the extent to which a Fund incurs borrowings may have certain consequences to the investors, including, but not limited to (a) use of cash flow (including capital contributions) for debt service and related costs and expenses, rather than for additional investments, distributions or other purposes; or (b) increased interest expense if interest rate levels were to increase.

In the event a Fund incurs indebtedness, the preferred return accruing in respect of investors will be less than otherwise would have been the case in the absence of such indebtedness. As a result, the General Partner may be entitled (x) to receive carried interest or performance allocation earlier than it otherwise would have and (y) in certain circumstances, to receive carried interest or performance allocation in amounts greater than it otherwise would have, in each case, had such Fund not incurred such indebtedness and, instead, had required the investors to make additional capital contributions.

The General Partner expects to fund certain capital needs of a Fund with the proceeds of borrowings in lieu of drawing down commitments, which will result in the net internal rate of return of a Fund being higher than it otherwise would have been without Fund-level borrowing, particularly during the early years of the Fund's life. The General Partner (or an affiliate thereof) may be incentivized to fund the acquisition of investments and ongoing capital needs of a Fund with the use of indebtedness in lieu of drawing down available commitments.

**Guarantees of Investments.** A Fund or one or more of its subsidiaries can guarantee the obligations or other liabilities of investment entities owned thereby or provide letters of credit or other credit support to facilitate investments, including, without limitation, cost and/or completion guarantees given to banks for development purposes, and there can be no assurance that such guarantees or letters of credit will not have adverse consequences for the Fund. As a result, if any such investment defaults on its obligations, the Fund will be required to satisfy such obligation, in which case the Fund may make

a larger investment in such investment than initially expected. In order to do so, a Fund may call capital, recall distributions or liquidate some or all of the investments prematurely at potentially significant discounts to fair value. The tax treatment of guarantees is complex and could result in a recharacterization of certain guarantee transactions for tax purposes. There can be no assurance that the IRS would not challenge the positions that may be taken by a Fund with respect to the tax treatment of guarantees. Any such recharacterization could have an adverse impact on the U.S. federal income tax treatment of certain investors.

***Liabilities Upon Disposition of Investments.*** In connection with the disposition of certain types of investments, the Funds may be required to make representations about the business and financial affairs of such investment typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. A Fund may also be required to indemnify the purchaser of such investment or underwriter to the extent that any such representations or disclosure documents are determined to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the partners to the extent that the partners have received prior distributions from a Fund, subject to certain limitations.

***Risk of Unsuccessful Exit Strategies.*** We may cause a Fund to opportunistically sell, publicly list, distribute or otherwise dispose of investments at any time. It is not possible to predict whether a particular exit strategy will be advantageous or available at the appropriate time. If a Fund fails to execute an exit strategy successfully prior to the liquidation of the Fund, such Fund may be forced to liquidate its assets on terms less favorable than anticipated and the proceeds from these investments and the remaining investments may be materially and adversely affected.

***Casualty Losses; Uninsurable Losses.*** We generally maintain or intend to maintain insurance on each of the properties the Funds acquire, including terrorism, liability, fire and extended coverage, in amounts believed appropriate relative to the risks to those properties, subject to applicable deductibles. A Fund may also require, prior to lending on a given real estate asset, that the owner or property manager obtain suitable comprehensive liability, fire and extended coverage insurance for the property of the types and in the amounts customarily obtained for similar properties. There are certain types of losses, however, generally of a catastrophic nature, including those due to earthquakes, floods, hurricanes, pandemics and other acts of God, which may be uninsurable or not economically insurable. Inflation, changes in building or zoning codes and ordinances, environmental considerations, and other factors may also make it infeasible to use insurance proceeds to replace an asset if it is damaged or destroyed. Under such circumstances, the insurance proceeds received by a Fund might not be adequate to restore its economic position with respect to the affected asset. Because each Fund is a pooled investment fund, all Fund assets may be at risk in the event of an uninsured or underinsured liability. In addition, we may need to initiate litigation in order to collect from an insurance provider, which may be lengthy and expensive and which ultimately may not result in a financial award.

***Follow-On Investments.*** Following an initial investment, a Fund may be asked to provide additional funds to, or have the opportunity to increase its investment in, such investment. There is no assurance that a Fund will make follow-on investments or that a Fund will have sufficient resources to, or be permitted to, make all such investments. Any decision by a Fund not to make follow-on investments or its inability to make them may have a substantial negative impact on the original property or entity in need of such investment, may result in missed opportunities for a Fund or may result in a dilution of a Fund's investment (in the event alternative capital is used to satisfy such additional funding needs). If a Fund makes a follow-on investment, there can be no assurance that such investment will be successful.

***Risks of Multi-Step Transactions.*** In the event that a Fund chooses to effect a transaction by means of a multi-step acquisition, there can be no assurance that all of such required steps can be successfully consummated. This could possibly result in a

Fund owning a significant real estate investment without having working control over the assets or access to its cash flow to service debt incurred in connection with the acquisition and without being able to dispose of such position at prices equal to or greater than its purchase price.

**Investments Involving Multiple Properties.** Investments involving multi-property acquisitions are often more complex and expensive than single-property acquisitions, and may place additional demands on us. Where multiple properties are acquired as a group, a Fund may be required to purchase all properties as a package rather than declining the properties it does not want. If a Fund is required to purchase one or more properties that it does not wish to acquire as part of a multi-property transaction, it may not be able to identify a buyer to acquire such properties, and thus may be required to operate or attempt to dispose of those properties. A Fund may also be required to accumulate a large amount of cash to fund such acquisitions. Because of the foregoing, acquiring multiple properties in a single transaction may reduce the overall yield on a Fund's portfolio.

**Counterparty Risk.** The Funds are subject to the risk of the inability of counterparties to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes, which could subject the Funds to substantial losses. In an effort to mitigate such risks, we attempt to limit transactions with counterparties which we believe are established, well-capitalized and creditworthy.

**Fraud.** Of paramount concern in purchasing securities, real estate and other assets is the possibility of material misrepresentation or omission or fraud on the part of a counterparty. Such inaccuracy or incompleteness or fraud may adversely affect the valuation of an investment entity or other asset. We rely upon the accuracy and completeness of representations made by counterparties to the extent reasonable and appropriate, but cannot guarantee that such representations are accurate or complete. In the event of fraud by any obligor of a loan originated or acquired by a client or any of its subsidiaries, such client may suffer a partial or total loss of its loan made to such obligor.

**Expedited Transactions.** Investment analyses and decisions by us may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to us at the time an investment decision is made may be limited, and we may not have access to detailed information regarding the investment property. Therefore, no assurance can be given that we will have knowledge of all circumstances that may adversely affect such investment.

**Litigation at the Property Level.** The acquisition, ownership and disposition of real properties carry certain specific litigation risks. Litigation may be commenced with respect to a property acquired by a Fund or its subsidiaries in relation to activities that took place prior to a Fund's acquisition of such property. In addition, at the time of disposition of an individual property, a potential buyer may claim that it should have been afforded the opportunity to purchase the asset or alternatively that such potential buyer should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosures made, if such buyer is passed over in favor of another as part of a Fund's efforts to maximize sale proceeds. Similarly, successful buyers may later sue a Fund under various damage theories, including those sounding in tort, for losses associated with latent defects or other problems not uncovered in due diligence.

**Projections.** The Funds or we or our affiliates may rely upon projections developed or provided by us, an affiliate or a third party (such as a valuation firm) concerning an investment's or asset's expected future performance, outcome and cash flow. Projections are inherently subject to uncertainty and factors beyond our control (or the control of any of our affiliates or any third parties). The inaccuracy of certain assumptions, the failure to satisfy certain requirements and the occurrence of other unforeseen events could impair the ability of an investment to realize projected values, outcomes and cash flow.

**Presentation of Performance.** The net performance of a Fund generally is calculated on an aggregate basis after taking into account the fees and expenses actually borne by all investors in a Fund or client as a group, but does not take into account any taxes borne or deemed to be borne by all or certain investors (such as taxes applicable to an investor based upon its domicile or citizenship). With respect to any particular investment vehicle or client, differences in timing of an investor's investment in or to such vehicle or client and the economic and other terms applicable to certain investors therein may increase or decrease the net performance information realized by such investors and, accordingly, the actual net performance information of a particular investor may differ or vary from the net performance information disclosed to such investors generally.

**Taxation.** Investments in properties or companies in the real estate sectors may be subject from time to time to numerous taxes and fees levied by the jurisdictions in which such properties are located or such companies are organized or operate. Entities having substantial real property holdings, in particular, may be subject to specific tax regimes, such as real estate taxes, stamp duties and various state and local taxes.

**Strategic Relationships.** We have entered into (and may from time to time enter into) strategic partnerships or relationships or arrangements directly or indirectly with investors that commit significant capital to a range of products and investment ideas sponsored by us and our affiliates. Such arrangements may include, without limitation, us or an affiliate granting or providing certain preferential terms or rights to such investors, including fee and carried interest rates that are or may be lower or more favorable than those applicable to any one investor in the Funds when applied to the entire strategic relationship or partnership, preferential co-investment rights or opportunities and/or other preferential terms, rights or opportunities. Such preferential terms or rights may not be subject to the "most favored nation" provisions included in side letters with, or governing documents of, a particular Fund. Investors may, depending on the terms of "most favored nation" provisions, be able to elect to benefit from such arrangements if they comply with the general parameters of the entire strategic relationship.

**Eminent Domain Risks.** Municipalities and other government subdivisions may, in certain circumstances, seek to acquire certain assets of the Funds through eminent domain proceedings. While a Fund may seek to contest these proceedings, which may be costly and may divert the attention of management from the operation of the Fund, there can be no assurance that a municipality or other government subdivision will not succeed in acquiring assets of the Fund. In such event, there is a risk that the Fund will not receive adequate compensation for the assets acquired, or that the Fund will not be able to recover all charges associated with divesting such assets.

**Hedging Transactions.** The Funds from time to time utilize or may utilize financial instruments such as forward contracts, options, swaps, caps, collars, floors and other derivatives to seek to hedge against fluctuations in the relative values of their assets as a result of changes in the currency exchange rates, market interest rates and public security prices. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks, including (but not limited to) counterparty credit risk and market liquidity risk. Thus, while a Fund may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions. In addition, hedging against a decline in the value of an Investment does not eliminate fluctuations in the value of such Investment or prevent losses if the value of such investment declines, but instead establishes other positions designed to gain from those same developments, thus offsetting the decline in such investment's value. These types of hedge transactions also limit the opportunity for gain if the value of such investment should increase. In addition, if judgments made with respect to future stock prices, exchange rates, market conditions or trends are not correct, these hedging strategies could result in losses to a Fund. The use of hedging strategies is a highly specialized activity and there can be no assurance that their use will achieve the intended result. The



General Partner of each applicable Fund that engages in hedging transactions claims or expects to claim an exemption from registration with the National Futures Association (the “NFA”) as a Commodity Pool Operator pursuant to the Commodity Futures Trading Commission (“CFTC”) Rule 4.13(a)(3) under the Commodity Exchange Act, and as a result of a Fund’s hedging activities, if any, will be subject to the limitations imposed by the de minimis exemption under CFTC Rule 4.13(a)(3) or any other applicable exemption from registration under the Commodity Exchange Act applicable to a Fund at the applicable time.

The success of hedging transactions will be subject to the ability to correctly predict movements in and the direction of, currency exchange rates, interest rates, market conditions or trends and public security prices. Therefore, while a Fund may enter into hedging transactions to seek to reduce these risks, unanticipated changes in currency exchange rates, interest rates, market conditions or trends or public security prices may result in a poorer overall performance for the Fund than if it had not engaged in any hedging transaction. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements of the Investments being hedged may vary. Moreover, for a variety of reasons, the Fund may not have established a perfect correlation between hedging instruments and the Investments being hedged. This imperfect correlation may prevent a Fund from achieving the intended hedge or expose it to risk of loss.

In addition, there is no limit on the exposure that may be incurred to any single counterparty under over-the-counter derivative instruments, exchange listed securities, options, repurchase agreements or other similar transactions and, as a result, if any such counterparty becomes unable to pay amounts due on such instruments or transactions, the financial losses to a Fund would be greater than if such limits were imposed.

***Non-Control Investments; Joint Venture Arrangements.*** Certain Funds hold or own or may hold or own non-controlling or joint-control investments in entities, companies or ventures, such as joint ventures or other similar arrangements (“JV Arrangements”), with third-party sponsors or managers or other entities. A Fund typically has or will have limited governance rights and limited influence over the management and operation of such entities. In these cases, we and the applicable Funds will primarily rely on the efforts of third-party management for oversight of the investment and underlying assets, and these third parties may have interests that conflict with the interests of a Fund. Further, there can be no assurance that any governance rights or protections obtained by a Fund in a JV Arrangement will provide sufficient protection of the Fund’s interests in such investment or the underlying assets.

***Reliance on Third-Party Sponsors and Managers.*** Certain Funds, including Funds advised by Partner Solutions, expect to invest in investments that are sponsored, managed and controlled by third-party sponsors or managers. None of us or our affiliates generally will have an active role in the management and day-to-day operation of such investments or their underlying assets, and a Fund’s ability to withdraw or transfer its interests in such investments will be limited. As a result, the performance of a Fund with respect to such investments will depend significantly on the investment and other decisions made by persons other than us and our affiliates and personnel, which could have a material adverse effect on the returns achieved by the investors in such Fund.

***Investments in Real Estate Debt; Structural Considerations.*** Certain clients invest and may invest in a variety of real estate-related debt investments. In addition to the risks of borrower default (including loss of principal and nonpayment of interest) and the risks associated with real property investments, a client will be subject to a variety of risks in connection with such debt investments, 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 Fund’s exercise of contractual remedies for defaults of such investments.

The debt securities and instruments in which clients are or may be permitted to invest include secured or unsecured debt at various levels of an issuer's capital structure. As part of a client's investment strategy, it may invest in a range of mezzanine, junior tranches of debt securities in an issuer's capital structure and pools or tranches of CMBS comprised of securities that are subordinated or otherwise junior in an issuer's capital structure. To the extent a client invests in unsecured or relatively junior debt securities in an issuer's capital structure, such investments may be subordinated to substantial amounts of senior indebtedness. Investments in subordinated debt securities involve greater credit risk of default than the more senior classes of such issuance or series. Subordinated or junior tranches in an issuer's capital structure absorb losses from default before other more senior tranches to which such junior tranches are subordinate. As a result, to the extent a client invests in such debt, such client would potentially receive payments or interest distributions after, and must bear the effects of losses or defaults on the underlying mortgage loans before, the holders of other more senior tranches of debt.

In addition, a client's ability to influence an issuer's affairs is likely to be substantially less than that of senior creditors. Mezzanine and B-note loans are typically subject to intercreditor arrangements, the provisions of which may prohibit or restrict the ability of the holder of a mezzanine or B-note loan to (i) exercise remedies against the collateral with respect to their loans; (ii) challenge any exercise of remedies against the collateral by the first-lien lenders with respect to their first liens; (iii) challenge the enforceability or priority of the first liens on the collateral; and (iv) exercise certain other secured creditor rights, both before and during a bankruptcy of the borrower. Accordingly, the ability of a client to influence an obligor's affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of a senior creditor. For example, under terms of intercreditor agreements, senior creditors will typically be able to restrict the exercise by a client of its rights as a creditor. Accordingly, a client may not be able to take the steps necessary to protect its investments in a timely manner or at all.

Further, unlike mortgage financings in which a lender makes a loan to a property owner in exchange for a security interest in the underlying real property, real estate mezzanine financing is generally made to a direct or indirect parent of the property owner in exchange for a direct or indirect pledge of the equity interest in the property owner. The parent of the property owner is commonly set up as a single purpose entity intended to be a "bankruptcy remote" entity which owns only the equity interest in the property owner. In such a circumstance, a client's remedies in the event of non-performance would include foreclosure on the equity interests pledged by the parent of such property. While the foreclosure process on such equity interests is generally faster and less cumbersome than foreclosure on real property, such foreclosure process may nevertheless involve the risks discussed in the preceding paragraph. Furthermore, such mezzanine financing may involve multiple levels of mezzanine loans to multiple levels of mezzanine borrowers (each pledging its equity interest in the borrower under the more senior financing as collateral), and therefore a client's investments may be negatively affected by separate levels of mezzanine financing. There can also be no guarantee that in such circumstances a client will be able to negotiate favorable intercreditor rights between itself as mezzanine lender and the senior lenders. In order to realize on its collateral, a mezzanine lender may need to repay the mezzanine borrower's indebtedness to more senior lenders to which the assets of such borrower or its subsidiaries are pledged. If a client forecloses on collateral for a mezzanine loan, it may need to draw down capital commitments from investors to effect such a payoff of senior indebtedness, which may occur after the end of the applicable investment period. In addition, in the event of a foreclosure, a mezzanine lender risks becoming the equity owner of a company or other legal entity with substantial liabilities which could exceed the value of its assets.

The debt securities and instruments in which clients may invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity and may not be rated by a credit rating agency. Debt investments are also subject to other creditor risks, including (a) the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws, (b) so-called lender liability claims by the issuer of the obligations and (c) environmental liabilities that may arise with respect to collateral securing the obligations. A client's investments may be

subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by a client earlier than expected and thereby limiting the amount of income earned by such client from such investments. In addition, depending on fluctuations of the equity markets and other factors, warrants and other equity securities received by a client may become worthless.

**Preferred Equity Investments.** Certain clients invest in preferred equity investments, which involve a higher degree of risk than traditional debt financing due to a variety of factors, including that such investments are subordinate to other loans and are not secured by property underlying the investment. Accordingly, if an issuer of any such preferred equity investment defaults on its obligation to pay dividends to a client, such client may rank as one of the issuer's general unsecured creditors. Moreover, if any such issuer enters into bankruptcy, a client will rank junior to the issuer's lenders, possibly resulting in losses to the client on such investment.

**B-Notes and A/B Structures.** Certain clients invest or may be permitted to invest in B-notes, which are mortgage loans typically (i) secured by a first mortgage on a commercial property or group of related properties and (ii) subordinated to an A-note secured by the same first mortgage on the same collateral. As a result, if a borrower defaults, there may not be sufficient funds remaining to repay B-note holders after payment to the A-note holders. Since each transaction is privately negotiated, B-notes can vary in their structural characteristics and risks. For example, the rights of holders of B-notes to control the process following a borrower default may be limited in certain investments. We cannot predict the terms of each B-note investment. Certain additional risks apply to B-note investments, including those described herein. The B-note portion of a loan is typically small relative to the overall loan, and is in the first loss position. As a means to protect against the holder of the A-note from taking certain actions or receiving certain benefits to the detriment of the holder of the B-note, the holder of the B-note often (but not always) has the right to purchase the A-note from its holder. If available, this right may not be meaningful to us or a client. For example, a client may not have the capital available to protect its B-note interest or purchasing the A-note may alter such client's overall portfolio and risk/return profile to the detriment of such client and its investors. In addition, a B-note may be in the form of a "rake bond." A "rake bond" is a CMBS backed solely by a single promissory note secured by a mortgaged property, which promissory note is subordinate in right of payment to one or more separate promissory notes secured by the same mortgaged property.

**Credit-Linked Securities.** Credit-linked securities are typically privately negotiated transactions between two or more parties. A client bears the risk that the issuer of the credit-linked security will default or become bankrupt. A client bears the risk of loss of its principal investment, and the periodic interest payments expected to be received for the duration of its investment in the credit-linked security. Credit-linked securities are also subject to credit risk of the corporate or other credits underlying the instrument. If one of the underlying credits defaults, a client may receive the security that has defaulted, and such client's principal investment would be reduced by the corresponding face value of the defaulted security. The market for credit-linked securities may be, or suddenly can become, illiquid. The other parties to the transaction may be the only investors with sufficient understanding of the transaction to be interested in bidding for it. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for credit-linked securities. In certain cases, a market price for a credit-linked security may not be available.

**Failure of Servicers to Effectively Service Loans.** The failure of servicers to effectively service the loans and/or pools thereof in which a client has an investment would materially and adversely affect such client. Most loans and securitizations thereof require a servicer to manage collections on each of the underlying loans. Both default frequency and default severity of loans may depend upon the quality of the servicer. The servicer quality is of significant importance in the management of mortgage loans (or pools thereof) and default issues related thereto. In the case of pools of securitized loans, servicers may be required to advance interest on delinquent loans to the extent the servicer deems those advances recoverable. In the event the

servicer does not advance, interest payments may be interrupted even on more senior securities. Servicers may also advance more than is in fact recoverable once a defaulted loan is disposed, and the loss to the trust may be greater than the outstanding principal balance of that loan.

***Underlying Default Risks.*** To the extent underlying default rates with respect to the debt securities or instruments in which clients invest occur or otherwise increase, the performance of client investments may be adversely affected and the risk of loss and foreclosure would be expected to increase. The rate of defaults and losses on real estate-related debt instruments will be affected by a number of factors, including global, regional and local economic conditions in the area where the underlying properties are located, the commercial real estate market in general, the borrower's equity and the financial circumstances of the borrower, as well as the general conditions described above under "General Risks of Real Estate." A decline in the global or U.S. real estate markets (or any particular sub-market thereof) may result in higher delinquencies, defaults or foreclosures as borrowers may not be able to repay or refinance their outstanding debt obligations when due for a variety of reasons, which may adversely affect the performance of client investments and give rise to potential conflicts of interest.

***Prepayments.*** Early repayment of loans originated or acquired by clients may adversely affect the value of their investment portfolio. Prepayment on investments, where contractually permitted, will be influenced by changes in the performance of underlying real estate assets and a variety of economic, geographic and other factors beyond our control. Certain clients are permitted to invest in loans and other assets secured or, in the case of certain assets (including mezzanine loans and preferred equity), supported by transitional real estate assets. Significant improvement in the performance of such assets may result in prepayments as other, less expensive or restrictive financing alternatives become available to the borrower. Consequently, prepayment rates cannot be predicted with certainty, and no strategy can completely insulate a client from increases in such rates. Furthermore, certain clients are or may be permitted to acquire debt at a discount or premium, and a client's anticipated yield on such assets would be impacted if such debt is prepaid more quickly than anticipated. Under certain prepayment scenarios, a client may fail to recoup fully the cost of its investment. While a client may be entitled to fees upon prepayment, such fees may not adequately compensate such client as the functional equivalent of a "make whole" payment. Furthermore, we may not be able to structure future investments to impose a make whole obligation upon a borrower in the case of an early prepayment.

#### Other General Risks

***General Economic Conditions.*** Changes in general global, regional and U.S. economic, market and geopolitical conditions and national and international political circumstances and developments and other circumstances and occurrences (including, without limitation, wars, epidemics, pandemics, outbreak of disease, terrorist acts, security operations, bank failures or financial institution instability, disruptions in the financial industry, natural disasters, high inflation or deflation, recessions, government operations and changes in interest rates), as well as changes in government or regulatory policy precipitated by the foregoing, may affect our and our clients activities and operations. For example, recent bank failures and the ongoing hostilities between Ukraine and Russia could destabilize the worldwide economy and equity markets in various respects. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the market in which a Fund makes investments or the value and number of investments made by a Fund or considered for prospective investment. Material changes and fluctuations in the economic environment, particularly of the type experienced in the years following 2008 that caused significant dislocations, illiquidity and volatility in the wider global economy, and the market changes that have resulted and may continue to result from COVID-19 or other outbreaks of disease and the recent instability in the financial services industry, may affect a client's ability to make investments and the value or number of investments held by a client or a client's ability to dispose of investments. Specifically, recent bank

failures in the United States has resulted in market disruption and volatility, and significant government intervention. The short-term and the longer-term impact of these events are uncertain, but they could continue to have a material effect on general economic conditions, consumer and business confidence and market liquidity. Any economic downturn resulting from a recurrence of such marketplace events and/or continued volatility in the financial markets could adversely affect the financial resources of subsidiaries and investment entities of the Funds. Additionally, there has been discussion and dialogue regarding potential significant changes to U.S. trade policies, legislation, treaties and tariffs, including trade policies and tariffs affecting Canada, Mexico, China, the European Union ("EU") and other countries. Tariffs and other trade restrictions imposed by the U.S. government and any further similar changes in U.S. trade policy have triggered some, and could trigger additional, retaliatory actions by affected countries, possibly resulting in "trade wars." At this time, it is unknown whether and to what extent additional new legislation will be passed into law, pending or new regulatory proposals will be adopted, international trade agreements will be negotiated, or the effect that any such action would have, either positively or negatively, on the Funds or their investments. Investments can be expected to be sensitive to the performance of the overall economy. Moreover, a serious pandemic, additional bank failures or financial institution instability, government shutdown, work stoppage, natural disaster, armed conflict, threats of terrorism, terrorist attacks and the impact of military or other action could severely disrupt global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer and business confidence may negatively impact market value, increase market volatility and reduce liquidity, all of which could have an adverse effect on the performance of investments, a Fund's returns and a Fund's ability to make and/or dispose of investments. No assurance can be given as to the effect of these events on investments or a Fund's investment objectives.

***Exculpation and Indemnification.*** Certain exculpation and indemnification provisions contained in client governing documents and agreements limit or restrict the rights of action otherwise available to investors, clients and other parties against the General Partner, CHC, the members of the advisory committee (including the investors represented by the members of the advisory committee), any of their respective affiliates and their respective officers, directors, members, managers, partners, shareholders, employees, consultants or agents, subject to certain limited exceptions set forth in such applicable client governing documents and agreements. In addition, clients generally are obligated to indemnify us, the General Partner, our personnel and employees and their respective affiliates and related persons in respect of the operations of such clients, subject to certain limited exceptions set forth in the applicable governing documents and agreements. Certain investors or clients may, for regulatory, legal or policy reasons, not be permitted to fund indemnification obligations, or their ability to fund such obligations may be restricted. In those cases, a Fund or other client may be required to satisfy any shortfall with respect to indemnification obligations even if such obligations are the direct result of a breach of representation, warranty or covenant by any such restricted investor. Notwithstanding the foregoing, no such exculpation and indemnification provisions purport to waive or limit the federal fiduciary duty applicable to us or any of our affiliates under the Advisers Act.

***Inflation Risk.*** The rate of inflation has been high in recent years and it is currently expected that it may remain high or elevated or continue to increase or remain elevated in the future. Inflation and rapid fluctuations in inflation rates have in the past had, and are currently having, negative effects on economies and financial markets. For example, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, governments may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. If inflation were to continue at the current level or rise at rates higher than those anticipated in underwriting the Funds' investments, the effective rate of return on such investments may be reduced. For example, there may be instances where rents and other revenues related to such investments may be fixed by contract for meaningful periods of time whereas related expenses and interest costs may not be. As a result, the recent rise in the rate of inflation (and any additional increase in such rate of inflation or continued elevated inflation rates) could have a material and adverse impact on the Funds and their investments.

**Interest Rate Risks.** Interest rate risk refers to the risks associated with market changes in interest rates. Interest rate changes have recently affected and may continue to affect the value of debt investments indirectly (especially where there is a fixed interest rate) and directly (especially where there is an adjustable interest rate). Rising interest rates have recently negatively impacted, and to the extent of additional increases in such rates will continue to negatively impact, the price of fixed rate debt instruments. To the extent interest rates fall in the future, such falling interest rates are generally expected to have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner, typically to a lesser degree. Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. In addition, recent interest rate increases have, and any additional future interest rate increases generally will, result in financing for property purchases and improvements being more costly and difficult to obtain. Further, increases in interest rates after an investment has been acquired by a Fund may negatively impact the valuation of such investment.

**Geopolitical Risks and Force Majeure.** An unstable geopolitical climate and continued threats of terrorism could have a material effect on general economic conditions, market conditions and market liquidity. In addition, the United States and governments globally have seen a rise in populist and nationalist tendencies, with political parties espousing such themes gaining strength in local and national elections.

Geopolitical tensions, such as Russia's invasion of Ukraine, has led to disruption, instability and volatility in global markets and industries that could negatively impact the Funds and/or their investments. The U.S. and other governments have imposed meaningful sanctions and export controls against Russia and Russian interests and threatened additional sanctions and controls. The Funds' investments will be required to comply with such measures and the full impact of such measures (including supply chain disruptions), as well as potential responses to them by Russia, is currently unknown and may become significant.

The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for oil and gasoline and could affect certain investments' financial results. Further, the United States government has issued public warnings indicating that energy assets might be specific targets of terrorist organizations. As a result of such a terrorist attack or of terrorist activities in general, such investments may not be able to obtain insurance coverage and other endorsements at commercially reasonable prices or at all.

Additionally, the Funds or investments may be affected by force majeure events such as events beyond the control of the party claiming the event has occurred including, without limitation, fire, flood, earthquakes, outbreaks of infectious disease, pandemic or any other serious public health concern, war, terrorism, and labor strikes. Some force majeure events may adversely affect the ability of a party, including the Funds, any subsidiaries or investment entities utilized by a Fund or counterparties to the Funds or any related investment entities to perform their obligations until they are able to remedy the force majeure event. In certain circumstances, a Fund or an investment entity may be a party to a contract which does not provide a remedy in favor of such Fund or investment entity if a force majeure event occurs. In this event, a Fund or an investment entity may be required to continue to comply with its obligations (including, but not limited to, payment or performance of its obligations) under the contract even though it may not receive some or all of the benefits to which it is entitled under such contract. Such a circumstance may cause a Fund or such investment entity to suffer economic loss, and such loss may be exaggerated if a force majeure event subsists for an extended period of time.

In addition, the cost to an investment or a Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events such as war or an outbreak of an infectious disease could have broader negative impact on the world economy and international business activity generally or in any of the countries in

which the Funds have invested. A resulting negative impact on economic fundamentals and consumer confidence may increase the risk of default with respect to particular investments, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, each of which could have an adverse effect on the performance of the investments, the Funds' returns and the ability of the Funds to make and/or dispose of investments. No assurance can be given as to the effect of these events on the value of, or markets for, investments, or a Fund's or an investment's ability to recover therefrom.

**CHC Server Infrastructure.** Our current server infrastructure is hosted in a primary data center and replicated to a secondary cloud-based data center. In the event of a catastrophic failure with the primary data center, the entire platform will be transitioned to the secondary data center. The primary data center is located in Richardson, TX. All servers and storage are backed up digitally to a digital backup system. The frequency of server and email backup consists of 30 daily backups, 12 monthly backups and six annual backups. All backups are replicated to the secondary environment. Data replication occurs at the hardware level and is expected to replicate every 15 minutes.

**Governmental Intervention.** In 2008, the global financial markets underwent disruptions that led to certain governmental intervention. The COVID-19 global pandemic and recent bank failures have also led and may continue to lead to substantial governmental intervention (both in the United States and abroad). Such intervention, in certain cases, was or is being implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions were or are typically unclear in scope and application, resulting in confusion and uncertainty which in itself can be materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. If governmental intervention programs are unwound, there could likewise be uncertainty and adverse effects on the markets. In the case of any future market disruptions, it is impossible to predict what interim or permanent governmental restrictions (or easing of restrictions) may be imposed on the markets or the effect of such restrictions on the Funds' investment strategies.

**Cyber Security Risk.** Crow Holdings Capital, the General Partners, the Funds, the investments of the Funds and any of their respective service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and the investors, despite the efforts of Crow Holdings Capital, the Funds' investments and any of their respective service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, e-mail and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and the investors (including non-public personal information of investors and their beneficial owners or affiliates or personnel). Cyber incidents refer to both intentional attacks and unintentional events including: processing errors, human errors, technical errors including computer glitches and system malfunctions, inadequate or failed internal or external processes, market-wide technical-related disruptions, unauthorized access to digital systems (through "hacking" or malicious software coding), computer viruses, and cyber-attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality (including denial of service attacks). For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of or prevent access to the systems of Crow Holdings Capital, the General Partners, the Funds, the investments of the Funds, or any of their respective service providers, counterparties or data within those systems without the knowledge of system users. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of Crow Holdings Capital, the General Partners, the Funds or any of their respective service providers' systems to disclose sensitive information in order to gain access to Crow Holdings Capital's data or that of the investors in the Funds. A successful penetration or circumvention of the security of Crow Holdings Capital's, the General Partners or any of their respective service providers' systems could result in the loss or theft of an investor's data or funds

(including non-public personal information of an investor or its beneficial owners or personnel), inability to access electronic systems, disruption of its business loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause Crow Holdings Capital, the General Partners, the Funds, the investments of the Funds or any of their respective service providers to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, liability to clients or third parties, regulatory intervention or financial loss. The Funds, the General Partners and CHC make no assurances, representations or warranties in relation to these matters, and may have not obtained representations or warranties in relation to these matters from all of their respective service providers. While we believe that our (and the Funds') service providers have established disaster recovery, cyber security and business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, we cannot control the cybersecurity plans and systems put in place by service providers or any other third parties whose operations may affect us or the Funds. Any cyber security breach or failure could expose us or the Funds to civil, legal or regulatory liability as well as regulatory inquiry and/or action, and the Funds may be required to indemnify us and the General Partners against losses or costs incurred in connection with any cyber security incident or breach. Cyber security issues are a major regulatory focus area for the SEC and other regulators.

Similar types of operational and technology risks are also present with respect to investments and real estate properties and assets directly or indirectly held or owned by the Funds or other clients, which could have material adverse consequences for such investments, and may cause such investments to lose value.

***Transactions with Investors and Co-Investors.*** We and our affiliates (including a Fund) from time to time engage in transactions with actual or prospective investors in a Fund (or co-investors), advisory clients and prospective and actual investors of other vehicles or accounts that entail benefits to such investors or clients. Such transactions may be entered into prior to, or coincident with, an investor's admission to a Fund (or commitment to co-invest) or during the term of their investment. The nature of such transactions can be diverse and may include benefits relating to the Funds, other vehicles or accounts and their respective issuers or affiliates. A Fund may sell investments to any third party, including investors in a Fund or any affiliates thereof.

As disclosed herein, the investment activities and operations of, and the investments, properties and assets directly or indirectly owned by, other clients, vehicles and ventures (including non-advisory clients) managed, controlled, operated or sponsored by us or an affiliate (and the activities, duties and obligations of us and our employees and personnel with respect to such other accounts, entities, clients, vehicles or ventures), and their investments or assets, from time to time conflict or compete with the activities and operations of a Fund, client or account or one or more investments, assets or properties owned by such client or account. For example, a real estate property owned by a joint venture or other non-advisory client of us or an affiliate may be located in the same market, sub-market or geographical area as properties owned by one or more clients, Funds, ventures or accounts managed, sponsored or operated by us or our affiliates, and such properties or investments may compete with one another for tenants and other resources. The actions taken by us or an affiliate with respect to one client or venture (or an investment or property owned by such client or venture) may have a material adverse effect on the investments or properties owned by one or more other clients, ventures or vehicles.

***Tax Law Developments.*** In December 2017, a significant reform of the U.S. Internal Revenue Code of 1986, as amended (the "Tax Code"), was signed into law (the "Tax Act"). There are significant uncertainties regarding the interpretation and application of the Tax Act. Among the numerous changes included in the Tax Act are (i) a reduction to the corporate income tax rate, (ii) new limitations on the utilization of net operating losses, (iii) partial limitations on the deductibility of business interest expense, (iv) a partial shift of the U.S. taxation of multinational corporations from a tax on worldwide income to a



territorial system (along with a transitional rule which taxes certain historic accumulated earnings and rules which prevent tax planning strategies which shift profits to low tax jurisdictions), and (v) a suspension of certain miscellaneous itemized deductions, including deductions for investment fees and expenses, until 2026. The Internal Revenue Service or U.S. Treasury Department may provide additional or further guidance and interpretations regarding various aspects of the Tax Act. Changes to the Tax Code made by the Tax Act and any further changes in tax laws or interpretation of such laws may be adverse to a Fund or the investors in such Fund.

The Tax Act subjects allocations of income and gain in respect of entitlements to carried interest and gain on the sales of profits interests in certain partnerships realized in taxable years beginning after 2017 to higher rates of U.S. federal income tax than under prior law in certain circumstances. Significant uncertainties remain regarding the application of the provisions of the Tax Act that affect the taxation of carried interest. Enactment of this legislation could cause our investment professionals to incur a material increase in their tax liability with respect to their entitlement to carried interest. In addition, other countries could clarify or modify their tax treatment of carried interest. This might make it more difficult for us to incentivize, attract and retain these professionals, which may have an adverse effect on our ability to achieve the investment objectives of the Funds. In addition, this can create a conflict of interest as our tax position may differ from the tax positions of the Funds and/or investors in the Funds and therefore, these rules may have an additional impact on the investment decisions made by investors or our clients, including with respect to decisions on the timing and structure of dispositions and whether to pursue other realization events during the holding period of an investment such as non-liquidating distributions. For example, the Tax Act gives us an incentive to cause a Fund to hold an investment for longer than three years in order to obtain lower tax rates on carried interest gains even if there are attractive realization opportunities earlier than three years.

**Public Health Risk.** CHC, the Funds and their affiliates and service providers could be adversely affected by the effects of a widespread outbreak of contagious disease, such as the novel coronavirus (“COVID-19”) pandemic. Public health crises can develop rapidly and unpredictably, which may prevent governments, asset managers, companies or others (including us, the General Partners, the Funds or the Funds’ investments) from taking timely or effective steps to mitigate or reduce any adverse impacts to the Funds and their investments. The extent and duration of any such impacts will depend on future developments, which are highly uncertain and cannot be predicted at this time.

Any outbreak of contagious diseases and other adverse public health developments, together with any resulting disruptions or restrictions on travel, quarantines or “stay-at-home” orders, social distancing policies and/or quarantines imposed or recommended by governments and private parties in the jurisdictions where we, the Funds and or their investments are based (together, the “Isolation Measures”), could have a material and adverse effect on the Funds and their investments, including by disrupting or otherwise adversely affecting the human capital, business operations or financial resources of us, the Funds, the General Partners, investments, or their respective service providers (which could, in turn, adversely impact the ability of such service providers to fully support the administration and operations of us, the General Partners, the Funds or investments).

In addition, a significant outbreak of contagious diseases in the human population, and any containment or other remedial measures imposed (including Isolation Measures), may result in a widespread health crisis that could severely disrupt global, national and/or regional economies and financial markets and cause an economic downturn that could adversely affect the performance of the Funds and/or their investments. Although the long-term economic fallout of the COVID-19 pandemic is difficult to predict, it is likely to continue to contribute to market volatility and lead to an economic slowdown given the disruption to supply chains across sectors and industries worldwide, which may reduce investment activity more generally and materially and adversely affect the Funds and/or their investments. The applicability, or lack thereof, of force majeure provisions could also come into question in connection with contracts that the Funds and/or their subsidiaries and investment

entities may enter into, which could ultimately work to their detriment. To the extent an epidemic or pandemic, including COVID-19, is present in jurisdictions in which we have offices or other operations or investments, it could affect the ability of us and our affiliates to operate effectively, including the ability of personnel to function, communicate and travel to the extent necessary to carry out the investment strategies and objectives of the Funds.

The performance of the Funds may also be affected by particular issues affecting companies, regions or sectors of their investments. The extent of any such impacts will depend on future developments, which are highly uncertain and cannot be predicted at this time. There are no comparable recent events in the United States or globally that provide guidance as to the effect of the spread of a pandemic such as COVID-19 on the economy as a whole and the specific sectors in which the Funds may invest. In particular, because the Funds invest in real estate and related opportunities, their investments may be particularly susceptible to economic effects driven by a pandemic such as COVID-19, including risks related to tenants being unable to pay rent (particularly with respect to residential, retail and office properties), federal or state restrictions on rent pricing, rent increases or eviction moratoriums or decreasing demand for services (i.e., in hospitality).

In addition, the risks associated with a pandemic, epidemic or other widespread outbreak of a contagious disease may make it more likely that investors in a Fund fail to fund their subscription obligations or make required capital contributions or other payments when due, in which case such Fund's ability to complete its investment strategy, satisfy credit facility borrowing covenants or obligations or otherwise continue operations may be impaired. A default by one or more investors with substantial commitments could leave a Fund with insufficient capital to meet its funding obligations, and would limit opportunities for investment diversification and likely reduce returns to such Fund.

Prospective investors should note that any information provided regarding the most recent valuations of an investment, including our historical investments and assets under management, was determined and relates to periods after the widespread outbreak of COVID-19. Given the levels of uncertainty, economic and financial market disruptions and volatility in connection with the outbreak, it is possible recent valuations and/or current or prior performance of prior Funds and their investments could be adversely impacted for current and future periods (at least in the short term).

**Crow Family Holdings Risks.** A majority of the interests in the General Partners is ultimately controlled by Crow Family Holdings, with the remaining interests ultimately owned by certain members of our management team and one or more anchor investors and/or other third parties. A majority of the equity interests in Crow Holdings Capital is owned by Crow Family Holdings. Crow Family Holdings currently is a passive equity owner and is not involved in our or any General Partner's day to day management. Nonetheless, as an owner, Crow Family Holdings has the authority to take certain actions with respect to us and the General Partners, including the authority to remove and replace their management teams. In addition, Crow Family Holdings is oftentimes a significant investor in each Fund. Certain activities of Crow Family Holdings and members of the Crow family may present various actual and potential conflicts of interest. **See Item 10.**

**Risk of Crow Family Holdings Adverse Event on Our Operations.** Although we, the General Partners and the Funds are separate legal entities, and have separate operations, from Crow Family Holdings, in the event that Crow Family Holdings were to experience material financial distress, or if there were a change of control of Crow Family Holdings, we, the General Partners or the Funds could nonetheless be adversely affected. In that regard, financial distress or change of control of Crow Family Holdings or us or the General Partners could cause us to have difficulty retaining personnel or otherwise adversely affect the Funds and their ability to achieve their investment objectives.

**Environmental, Social and Governance Matters.** While environmental, social and governance ("ESG") matters (also referred to as "responsible investing") are only one category of the many factors we will consider in making an investment, there is

no guarantee that we will successfully implement and make investments in assets or companies that create positive ESG impacts while enhancing the long-term value and achieving financial returns. To the extent we engage with companies on ESG-related practices and potential enhancements thereto, such engagements may not achieve the desired financial and social results, or the market or society may not view any such changes as desirable. Successful engagement efforts on the part of us will depend on our skill in properly identifying and analyzing material ESG and other factors and their market-related values, and there can be no assurance the strategy or techniques employed will be successful. Although we consider ESG related factors in our investment decisions, we remain non-concessionary in our approach to ESG. Moreover, applying ESG investing goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by us or any judgment exercised by us will reflect the beliefs or values of any particular investor. ESG-related practices differ by region, industry and issue and are evolving accordingly, and a company's ESG-related practices or the General Partner's assessment of such practices may change over time.

**Adverse Publicity.** Each of the Funds, the General Partners and CHC face the risk of negative publicity, including in matters such as labor disputes, litigation and adverse environmental attention, as well as matters arising out of municipal and federal government scrutiny both in the United States and globally. Additionally, Crow Holdings Capital, the Funds, Fund investments, Crow Family Holdings, members of the Crow family, officers and employees of Crow Holdings Capital or Crow Family Holdings and/or their respective affiliates are or may be involved in or subject to litigation, allegations, claims, regulatory actions, disputes, legal actions and/or controversies from time to time, which may draw or attract negative publicity, as well as negative news media attention. Such adverse publicity may have a material effect on our ability to source or consummate investments, conduct operations or otherwise meet or attempt to meet or satisfy a Fund's investment objectives. Moreover, recently, the private equity industry has been subject to negative publicity and negative commentary globally, including from both the media and politicians. While it is yet to be seen whether such adverse publicity and commentary will adversely impact the private equity industry, there is a risk that during a Fund's term such negative publicity may lead to increased regulation or scrutiny of the industry or otherwise have an adverse effect on a Fund's ability to meet its investment objectives.

**Litigation.** Litigation can and does occur in the ordinary course of our investment management business and activities. We, the General Partners, the Funds, Fund investments and our affiliates and personnel are or may in the future be engaged in litigation from time to time both as plaintiffs and defendants. This risk is somewhat greater in situations in which we or a Fund exercises control or significant influence over an investment's or investment entity's business or direction. Such litigation can arise as a result of an investment entity's default, bankruptcy and/or other reasons. In certain cases, an investment entity or investment may bring claims and/or counterclaims against a Fund, a General Partner, us, our managing principals and/or their respective affiliates and their respective officers, directors, members, partners, shareholders, employees, managers, consultants and agents alleging violations of securities laws and corporate, contractual and other typical issuer claims and counterclaims seeking significant damages. The expense of defending against claims made against a Fund by third parties and paying any amounts pursuant to settlements or judgments would be borne by such Fund, to the extent that (i) such Fund has not been able to protect itself through indemnification or other rights against investment entities, (ii) such Fund is not entitled to such protections or (iii) the investment entity is not solvent. We, the General Partners and others may be indemnified by a Fund in connection with such litigation, subject to certain conditions.

The outcome of any proceedings involving a Fund or Fund investments may materially adversely affect such Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of our time, attention and resources, which may, at times, be disproportionate to the amounts at stake in the litigation. Under the applicable governing documents, a Fund will generally be responsible for indemnifying us and our related parties for costs they may incur with respect to such litigation not covered by insurance.

**New Private Fund Adviser Rules.** On August 23, 2023, the SEC adopted new rules and rule amendments under the Advisers Act that will significantly impact and affect private fund advisers, including those registered with the SEC and those exempt from registration (the “Private Fund Adviser Rules”). The Private Fund Adviser Rules generally provide for (i) significantly increased disclosure and periodic reporting requirements, including with respect to financial performance, preferential treatment provided to investors, and fees and expenses, (ii) mandatory annual audits of private funds, (iii) certain disclosure and other requirements with respect to adviser-led secondary transactions, including requirements to obtain and distribute third-party fairness or valuation opinions in connection with such transactions, (iv) investor disclosure and/or consent requirements with respect to certain types of restricted activities, including, but not limited to, charging fees or expenses related to a portfolio investment on a non-pro rata basis, borrowing from a private fund, charging certain regulatory, compliance or regulatory investigation fees and expenses to a private fund, and (v) prohibitions on granting preferential redemption rights or providing preferential portfolio information rights or transparency to certain private fund investors. The dates by which private fund advisers will be required to comply with the Private Fund Adviser Rules vary with respect to the specific provisions of the rules and by the size of the private fund adviser (in general, the compliance date will be either September 14, 2024 or March 14, 2025). The Private Fund Adviser Rules will significantly increase the costs of compliance for private funds and private fund advisers, including the Funds and Crow Holdings Capital, and may require significant amendments and revisions to the governing documents of the Funds and/or our practices and/or disclosures with respect to the Funds, some of which may materially alter the terms and/or costs of an investment in the Funds.

**Terrorist Attacks, War and Natural Disasters.** Terrorist activities, anti-terrorist efforts, armed conflicts involving the United States or its interests abroad, wars and natural disasters may adversely affect the United States, its financial markets and global economies and markets and could prevent the Funds and their investments from meeting their respective investment objectives and other obligations. The potential for future terrorist attacks, the national and international response to terrorist attacks, other acts of war or hostility and recent natural disasters have created many economic and political uncertainties in the past and may do so in the future, which may adversely affect the United States and world financial markets and Funds for the short or long-term in ways that cannot presently be predicted.

In February 2022, armed conflict escalated between Russia and Ukraine and Russia invaded Ukraine. In response to Russia’s invasion of Ukraine, the United States, the European Union and various other countries have announced, and continue to announce and expand, sanctions against or targeting Russia and various important Russian people and companies. These sanctions currently include, among others, restrictions or bans on selling or importing goods, services or technology in or from Russia, bans on Russian energy imports, and travel bans and asset freezes impacting connected individuals and political, military, business and financial organizations in Russia. The U.S. and other countries could impose wider or more significant sanctions and take other actions against Russia or its interests should the conflict further escalate or deteriorate. The Ukraine-Russian conflict has led to, and may continue to lead to, significant political, geopolitical, economic and market turmoil and volatility, including dramatic increases in oil and gas prices and further supply chain disruptions. It is not possible to predict the broader consequences of this conflict or the sanctions imposed or applied as a result thereof, which could include further sanctions, embargoes, regional instability, geopolitical shifts, conflicts and adverse effects on macroeconomic conditions, currency exchange rates and financial markets, all of which could impact a Fund’s or investment’s business, financial condition and results of operations.

**Future Use of LIBOR.** The elimination of the London Inter-Bank Offered Rate (“LIBOR”) may adversely affect the interest rates applicable to and the value of assets and liabilities of clients. On July 27, 2017, the U.K. Financial Conduct Authority announced that it intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR after 2021. The LIBOR administrator ceased publication of non-USD LIBOR and one-week and two-month USD LIBOR on December 31, 2021, and ceased publication of all other USD LIBOR tenors on June 30, 2023. However, it remains unclear if, how and in what form,

LIBOR will continue to exist, whether through the publication of a “synthetic LIBOR” or otherwise. While industry participants and regulators have proposed and adopted certain alternative reference rates, such as the Secured Overnight Financing Rate (“SOFR”), to replace these outgoing benchmarks, it’s possible that other alternative reference rates may be considered and that any new alternative rates may not produce the economic equivalent of the benchmark rates they are intended to replace. SOFR, for instance, is calculated using components different from those used in the calculation of LIBOR and may fluctuate differently than, and not be representative of, LIBOR. In order to compensate for these differences, a benchmark replacement adjustment may be used; however, there can be no assurance that any benchmark replacement adjustment will be sufficient to produce the economic equivalent of LIBOR over the life of an agreement. It remains unclear whether these alternative reference rates such as SOFR will attain broad market acceptance as replacements for LIBOR. Markets continue to slowly develop in response to these new rates, and questions around liquidity in these rates and how to appropriately adjust these rates to eliminate any economic value transfer at the time of transition remain a significant concern. LIBOR and other benchmarks have been used in certain client investments and products. Despite ongoing actions to prepare for the full transition away from LIBOR, market participants, including the Funds, may not be adequately prepared for uncertainties associated with LIBOR’s discontinuance or be able to successfully modify their outstanding contracts or products that reference LIBOR. The effect of any changes to or discontinuation of LIBOR on the Funds will vary depending on (1) existing fallback provisions in individual contracts; (2) whether, how, and when industry participants develop and widely adopt new reference rates and fallbacks for both legacy and new products or instruments; (3) whether changes are prescribed and mandated by legislation or regulation; and (4) the extent to which “synthetic LIBOR” continues to be published in place of LIBOR. Accordingly, it is not possible to predict the full impact of the transition away from LIBOR on the Funds. In any event, the transition away from LIBOR and related events could result in a material adverse effect on the Funds.

***Recent Developments in the Banking Industry.*** On March 10, 2023, Silicon Valley Bank (“SVB”) was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (the “FDIC”) as receiver and, on March 12, 2023, Signature Bank (“Signature”) was swept into receivership. These recent bank closures and other recent events across the banking sector have caused uncertainty in the financial services sector and fear of instability in the global financial system generally. They have and are continuing to adversely impact other financial institutions, including smaller and/or regional banks, which have experienced volatile stock prices and significant losses in their equity value, including in light of concerns over the significant withdrawals of funds by depositors of these institutions and unrealized balance sheet losses. Notwithstanding intervention by U.S. governmental agencies to protect the uninsured depositors of SVB and Signature, there is no guarantee that the U.S. Department of Treasury, the FDIC or the Federal Reserve will provide similar protections of uninsured funds in the future in the event of the closure of other banks or financial institutions in a timely fashion or at all. Similarly, while certain private market participants in the banking sector have acted to stabilize other financial institutions, the efficacy of such actions cannot be predicted and the continuance of such actions cannot be guaranteed including in the event of continued or increased instability. These recent bank closures and the risk that other banks, or other financial institutions, could be similarly impacted in the future (including without a corresponding intervention by regulators in those circumstances), could materially adversely impact clients and their investments.

**THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE OR COMPREHENSIVE DESCRIPTION OF ALL OF THE MATERIAL RISKS AND CONFLICTS THAT ARE OR MAY BE ASSOCIATED WITH OUR INVESTMENT STRATEGIES OR APPLICABLE TO AN INVESTMENT IN THE FUNDS. PROSPECTIVE INVESTORS AND CLIENTS SHOULD READ THIS BROCHURE AND ALL OTHER APPLICABLE DISCLOSURE AND OFFERING MATERIALS REGARDING THE FUNDS IN THEIR ENTIRETY BEFORE MAKING ANY INVESTMENT DECISIONS.**

## ITEM 9: DISCIPLINARY INFORMATION

Not applicable.

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### MATERIAL RELATIONSHIPS WITH AFFILIATED AND OTHER PERSONS

We are affiliated and share office space, service providers and certain employees or supervised persons, as applicable, with (i) Crow Family Holdings, a family office established to own and manage the wealth and direct the investments of, and provide various other services to, the Trammell Crow family and affiliated entities; (ii) CHI, an industrial real estate company; (iii) Trammell Crow Residential, a multifamily real estate company (“TCR”); (iv) Crow Holdings Office, a firm that designs and builds office environments (“CHO”), (v) Crow Holdings Securities, L.L.C., a broker-dealer registered with the SEC (“CHS”), and (vi) Crow Holdings Renewables, a company that focuses on developing community and utility-scale solar energy and battery storage projects (“CHR”). In particular, we lease our office space from Crow Family Holdings. We have or may have material relationships or interactions or business dealings with one or more affiliates of Crow Family Holdings (including TCR, CHO, CHI, CHS and CHR). As noted herein, a majority of the ownership interests in each General Partner and CHC is ultimately owned by Crow Family Holdings. Crow Family Holdings is currently a passive equity owner and is not involved in the day-to-day management of the General Partners or us. Nevertheless, as an owner, Crow Family Holdings has the authority to take certain actions with respect to us and the General Partners, including the authority to replace or remove their management teams. In addition, Crow Family Holdings (and affiliates thereof) are significant investors in the Funds. Nevertheless, we generally intend to keep our business activities and operations separate and independent from the business activities and operations of Crow Family Holdings and its subsidiaries (including CHI, CHO, TCR, CHS and CHR) and have established procedures and guidelines in an attempt to segregate our activities from the activities of Crow Family Holdings, TCR, CHI, CHO, CHS, CHR and various affiliates thereof. Although each Fund and the General Partners are separate legal entities from Crow Family Holdings, in the event that Crow Family Holdings were to experience material financial distress, or if there were a change in control of Crow Family Holdings, the Funds could nonetheless be adversely affected. Notwithstanding the foregoing, the activities of Crow Family Holdings, CHI, TCR, CHO, CHS, CHR their respective affiliates and the Crow family (including the significant ownership interests in real estate assets managed or held by Crow Family Holdings or the ownership interest of Crow Family Holdings in various entities that may transact business with one or more of the Funds) may present actual or potential conflicts of interest, including, but not limited to, the conflicts discussed in this brochure.

As noted above, TCR, a multifamily real estate company, and CHI, an industrial real estate company, (and any other affiliated development or construction entities or any entity with a senior management team and strategy substantially similar thereto) are wholly-owned subsidiaries of Crow Family Holdings (as passive owner) and are affiliated with us. CHC’s, TCR’s, CHO’s, CHS’s, CHI’s and CHR’s relationship to or with Crow Family Holdings (and each other) and their respective activities in the real estate industry may present potential or actual conflicts of interest from time to time (including development of directly competitive assets and competition for tenants or assets). Persons, properties and entities in which a Fund may have an ownership, financial or other interest may be in direct or indirect competition with properties, persons and entities in which other Funds, investors, CHC clients, Crow Family Holdings, TCR, CHI or any of their respective affiliates have an ownership, financial or other interest, and the other Funds or clients, Crow Family Holdings, TCR, CHI and their respective affiliates may be subject to conflicts of interest with respect to the selling, leasing or financing of properties owned by a Fund or owned by entities in which such Fund has an ownership interest. However, our business activities and operations are conducted separately and independently from the business activities and operations of Crow Family Holdings, TCR, CHI, CHO, CHS, CHR and their affiliates. Although Crow Family Holdings, TCR, CHI, CHO, CHS, CHR and their respective affiliates and related entities

are not involved in the day-to-day management or operation of CHC, certain of our officers, employees, investment committee members and supervised persons serve or may serve as officers, directors, employees, investment committee members and/or supervised persons of (or otherwise provide services or engage in activities with respect to) Crow Family Holdings, CHS, CHR and certain TCR, CHO and CHI entities. Accordingly, there may be conflicts of interest between such individuals' duties as officers or employees or agents of us and such individuals' duties as officers, directors, employees, investment committee members or agents of Crow Family Holdings, CHS, CHR and/or such TCR and CHI entities (or one or more other affiliated entities).

Crow Holdings Multi-Family Build-to-Hold Fund, L.P. ("CHC MF BTH Fund") has entered into a pipeline access agreement with TCR, pursuant to which the CHC MF BTH Fund has "rotational" access to each development opportunity identified by TCR that meets certain requirements for as long as the CHC MF BTH Fund has available capital. The CHC MF BTH Fund also has entered into and expects in the future to enter into joint ventures with TCR and various TCR entities with respect to identified investment opportunities, pursuant to which TCR acts or will act as developer and will be entitled to receive development fees and general contractor fees (for projects where TCR serves as general contractor) or construction management fees and quality assurance fees (for projects where a third party general contractor is engaged) and, if certain hurdles and conditions are met, certain incentive-based compensation from the applicable joint venture entity. We face conflicts of interest in making decisions for the CHC MF BTH Fund on assets proposed by TCR pursuant to the pipeline access agreement.

Crow Holdings Industrial Build-to-Hold Fund, L.P. ("CH Industrial BTH Fund") has entered into, and other accounts and clients expect in the future to enter into, joint ventures with CHI and various CHI entities with respect to identified investment opportunities, pursuant to which CHI acts or will or may act as developer and will be entitled to receive development fees and general contractor fees (for projects where CHI serves as general contractor) or construction management fees and quality assurance fees (for projects where a third party general contractor is engaged) and, if certain hurdles and conditions are met, certain incentive-based compensation from the applicable joint venture entity. These activities present or may in the future present various actual or potential conflicts of interest.

We may enter into, or cause one or more of our clients or affiliates to enter into, or otherwise engage in other business dealings, transactions, arrangements or interactions with or alongside, TCR, CHI, CHO, CHS, CHR, Crow Family Holdings and their respective affiliates (including TCR and CHI entities) from time to time and such business dealings, transactions or interactions may present actual and potential conflicts of interest.

We have entered into an agreement with Standish Management, LLC ("Standish") to provide accounting, administrative and various other services with respect to the Funds and investment vehicles related thereto (including REITs), and certain fees and expenses for such services are or may be borne by the applicable Funds (as applicable). Standish leases office space and certain equipment from us and receives certain services from us which are available to our other employees. In addition to the Funds, Standish performs or provides certain services for or to Crow Family Holdings and us, and the cost of such services are borne by, and allocated between or among, Crow Family Holdings, us and the Funds, as applicable. We may in the future engage or retain various other service providers or vendors to provide various administrative and other services to us in respect of clients (including services designed or intended to assist us in providing management, advisory and other services to a client). In connection with such services, a service provider or vendor may have access to or otherwise be in possession of non-public personal information regarding investors in the Funds and other confidential information.

The Funds or affiliates thereof may form or enter into joint ventures with third parties in certain instances to acquire investments. In order to offset increased costs associated with any such joint venture, affiliates of a General Partner may receive fees from such third parties where such affiliates function as the manager of any such joint venture. Moreover, if

certain hurdles and conditions are met, a joint venture partner often will be entitled to receive incentive-based compensation or carried interests from or with respect to such joint venture.

We, the General Partners or our affiliates may from time to time engage, or cause companies in which a Fund or other vehicle makes investments to engage, service providers and joint venture partners in connection with the operations of such Fund or vehicle or its investments. Any service providers and joint venture partners of a Fund (including introducers, brokers, attorneys, accountants, investment bankers, managers, contractors, developers and lenders) may be service providers or joint venture partners to or of other Funds, successor funds, us and/or our affiliates (including TCR, CHI and Crow Family Holdings). In addition, one or more of a Fund's service providers or joint venture partners may be investors in such Fund, other Funds or a successor Fund and/or sources of investment opportunities for one or more Funds. There also may be instances where investments provide services to one another. These factors may influence us in deciding whether or not to select any particular service provider or joint venture partner for a Fund or any investment. Notwithstanding the foregoing, investment transactions for each Fund that require the use of one or more service providers will generally be allocated to service providers on the basis of best execution.

Specifically, a client or Fund and its subsidiaries may enter into transactions with our affiliates for property management, construction management, leasing or similar services with respect to its investments.

#### **INVESTMENTS IN OTHER ASSET MANAGEMENT FIRMS**

Certain affiliates and related persons of Crow Family Holdings have made, and may in the future make, minority or other investments in (and/or otherwise acquire direct or indirect interests in) asset management firms that are not affiliated with us, Crow Family Holdings or any other affiliates or clients or other entities or vehicles managed, sponsored or advised by us or any of our affiliates, and which may from time to time engage in similar investment transactions, including with respect to the purchase or sale of investments, with these asset management firms and their sponsored or managed funds, investments and affiliates. An affiliate with an interest in the asset management firm is entitled to receive a share performance-based compensation and net fee income or revenue share generated from the various products, vehicles, funds and accounts managed by that third-party firm, or a subset of such activities such as transactions with a Crow Family Holdings related party. In addition, while such minority investments are structured so that we and our affiliates do not "control" such third-party firms, Crow Family Holdings and its affiliates typically are afforded certain governance rights in relation to such firms (typically in the nature of protective rights, negative control rights or anti-dilution arrangements, as well as certain reporting and consultation rights) that afford Crow Family Holdings and its affiliates the practical ability to influence such third-party firms. Although Crow Family Holdings and its affiliates generally will not control such third-party firms, there can be no assurance that all third parties will similarly conclude that such investments are non-control investments or that, due to the provisions in the governing documents of such third-party asset management firms or the interpretation of applicable law or regulations, investments by us or our affiliates will not be deemed to have control elements for certain contractual, regulatory or other purposes. While such asset management firms are not deemed "affiliates" of us or Crow Family Holdings, Crow Family Holdings and its affiliates (including CHC) may, under certain situations, be in a position to exert influence over or otherwise influence the management and operations of such asset managers and the existence of economic/revenue sharing interests therein may give rise to conflicts of interest. Participation rights in a third-party asset management firm (or other similar business), negotiated governance arrangements and/or the interpretation of applicable law or regulations could expose the investments of a client or vehicle to claims by third parties in connection with such investments (as indirect owners of such asset management firms or similar businesses) that may have an adverse financial or reputational impact on the performance of a fund or client. Such asset management firms from time to time invest or cause or permit their clients to invest in one or more Funds, entities, vehicles, ventures and/or accounts managed or sponsored by us or an affiliate. There can be no



assurance that the terms of these transactions between parties related to Crow Family Holdings and its affiliates, on the one hand, and a client or fund and its investments, on the other hand, will be at arm's length or that Crow Family Holdings and its affiliates will not receive a benefit from such transactions, which can be expected to incentivize us to cause these transactions to occur.

#### **AFFILIATED BROKER-DEALER**

An affiliate of Crow Holdings Capital, CHS, is registered with the SEC as a broker-dealer and is a member of the Financial Industry Regulatory Authority, Inc. CHS will act as a dedicated placement agent for the private offer and sale of interests in certain of the Funds and other vehicles and ventures managed or sponsored by us and our affiliates. CHS does not intend to hold funds or securities for, or owe money or securities to, clients generally. Crow Holdings Capital and its affiliates, not any Fund or any investor therein, reimburse CHS for its expenses for acting as placement agent with respect to the Funds and other ventures and entities, and CHS currently does not receive any placement fees, commissions or other transaction-based compensation or fees for its services relating to the Funds and other affiliated ventures and entities (but certain personnel associated with CHS participate in carried interest distributions received with respect to certain Funds and/or other clients and accounts). CHS does not execute any trades of any Fund or any subsidiary thereof. Certain personnel of Crow Holdings Capital or its affiliates are registered representatives of CHS, and these personnel are subject to the policies and procedures of CHS when engaging in securities-related transactional activities in addition to the policies and procedures of Crow Holdings Capital and/or its affiliates. We share certain office facilities with CHS.

Coe Juracek (CRD No.: 6275165), a vice president of Crow Holdings Capital, is the Chief Executive Officer and a registered representative of CHS.

#### **RELATED SERVICE PROVIDERS**

Both CHC and Crow Family Holdings provide various administrative and support services to one another, and certain of our employees, officers, supervised persons and affiliates provide (or may in the future provide) services to, or serve (or may in the future serve) in varying capacities with respect to, TCR, CHI, CHS, CHR, Crow Family Holdings, CHO or affiliates thereof. In particular, the Chief Executive Officer of Crow Family Holdings also is a vice president of Crow Holdings Capital and serves as a member of the Investment Committee of Crow Holdings Capital, and is involved in our business and activities in such capacities. The administrative and support services provided by Crow Family Holdings to us, TCR, CHS, CHO, CHR and CHI include, among other things, maintaining office facilities, furnishing the services of certain personnel on a part-time basis, and furnishing certain administrative services and office supplies. The administrative and support services provided by us to Crow Family Holdings, TCR, CHI, CHO, CHR and/or certain of their affiliates include, among other things, furnishing the services of certain personnel on a part-time basis.

We lease office space from Crow Family Holdings.

Notwithstanding the foregoing, all decisions, recommendations, consents and other determinations will be made exclusively by us or the applicable General Partner in accordance with the terms of the applicable governing and/or account documents of each Fund, and not by Crow Family Holdings, TCR, CHI, CHO, CHS, CHR or any of their affiliates. **See Item 10 and Item 8.**

We from time to time engage, appoint and retain TCR, CHI and other affiliates to provide or perform various advisory and non-advisory services and functions (including sub-advisory or sub-management services) with respect to our clients and other entities and vehicles managed or sponsored by us or our affiliates.

## RECEIPT OF COMPENSATION AND OTHER BENEFITS

Our interests and the interests of our personnel and affiliates may create potential conflicts in the selection or recommendation of investments for clients. We make determinations regarding which investments to make available or recommend to clients in a manner we believe to be consistent with our fiduciary duties and the investment processes summarized in **Item 8** (and in accordance with the applicable governing and account documents of each client). We, our affiliates or our clients and their investors may derive ancillary benefits from certain decisions or recommendations made or transactions entered into in respect of or with certain investments. We act as investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the fiduciary standards imposed upon us as a matter of law and the applicable terms, conditions, guidelines, objectives and requirements set forth in the applicable governing and account documents. We will face potential conflicts in making determinations as to whether clients should invest in investments with which we, investors and/or any of our or their respective affiliates have business, financial, personal or other relationships or affiliations.

## COMMODITY POOL OPERATOR, COMMODITY TRADING ADVISER, FUTURES COMMISSION MERCHANT REGISTRATION

Neither we nor any of our management persons are registered, or have an application pending to register, with the Commodity Futures Trading Commission (“CFTC”) as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. The General Partners are exempt from registration as commodity pool operators and commodity trading advisors pursuant to the exemption set forth in CFTC Rule 4.13(a)(3) and/or one or more other applicable exemptions or exclusions from registration under the Commodity Exchange Act and/or in applicable CFTC rules and regulations.

## OTHER ACTIVITIES AND AFFILIATIONS

Certain of our personnel are or may be subject to a variety of conflicts of interest relating to their responsibilities, duties, obligations and services to clients, other vehicles, accounts, entities, ventures and/or programs managed or sponsored by us and our affiliates and their respective investments, and their outside personal or business activities, including as members of investment or advisory committees or boards of directors of or advisors to investment funds, entities and other organizations. Such positions create a conflict if such other entities, ventures, vehicles, funds and/or accounts compete with client accounts for investment opportunities or other resources. The personnel in question may have a greater financial interest in the performance of such other entities, ventures, vehicles, funds or accounts than the performance of a Fund or other client. This involvement may create conflicts of interest in making or recommending investments on behalf of a Fund or other client and such other entities, funds, accounts, vehicles or ventures. Although we generally seek to minimize or otherwise mitigate the impact of any such material conflicts, there can be no assurance that any such conflicts will be (or will be able to be) resolved or mitigated or addressed in a manner that is favorable for or to a Fund or client.

In addition, there may be conflicts between an investment entity of a Fund and an investment entity of any other fund, vehicle or account managed or sponsored by us or an affiliate or any other affiliated funds or accounts or non-advisory clients. For example, an investment entity of a Fund, non-advisory client or other entity or vehicle or venture managed, sponsored, controlled or operated by us or our affiliates may be a competitor of, or otherwise compete with, one or more of another Fund’s or client’s investment entities.

Additionally, certain employees and personnel of us and our affiliates have or may have family members, spouses, or relatives that are actively involved in industries, markets, sectors and other areas in which our clients and other vehicles invest or have

business, personal, financial or other relationships or interests with companies in such industries and sectors (including the advisors and service providers described herein) or other industries, which may give rise to potential or actual conflicts of interest. For example, such family members or relatives might be officers, directors, personnel or owners of companies, entities or assets which are actual or potential investments of our clients or accounts or other counterparties of our clients and their investments or assets. Moreover, in certain instances, a client or an investment or property owned or held by such client can be expected to purchase or sell entities, ventures, vehicles, properties, assets or investments from or to, or otherwise transact with, companies or entities that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement or interests.

From time to time, certain of our affiliates have engaged or may engage third-parties or consultants to provide certain consulting, strategic advisory and other services to us and/or our affiliates. In consideration of such services, we or an affiliate may provide office space, administrative support and other benefits to such persons.

We devote such time to a client as we determine in our discretion to be necessary to conduct its business affairs in an appropriate manner. However, the outside activities and duties of certain of our employees and personnel may create conflicts of interest in the allocation of time by such employees and personnel to us and our clients.

#### **AFFILIATED GENERAL PARTNERS AND MANAGERS**

Certain of our affiliates serve (and may in the future serve) as special purpose general partners or managers of the Funds and other clients managed or advised by us or our affiliates. Each of Crow Holdings Realty Advisors VI, L.P., Crow Holdings Realty Advisors VII, L.P., Crow Holdings Realty Advisors VIII, L.P., Crow Holdings Realty Advisors IX, L.P., Crow Holdings Realty Advisors X, L.P., Crow Holdings Retail Advisors I, L.P., Fund VII Managers, L.L.C., Fund VIII Managers, L.L.C., Fund IX Managers, L.L.C., Fund X Managers, L.L.C., Crow Holdings Self-Storage Advisors, L.P., CH Multi-Family BTH Advisors, L.P., Crow Holdings Retail Advisors II, L.P., CH Industrial BTH Advisors I, L.P., Crow Holdings Development Advisors I, L.P., CH DOF Managers I, L.L.C., Crow Holdings Realty Advisors X Co-Invest GP, L.L.C., Crow Holdings Realty Advisors IX Co-Invest GP, L.L.C., and Crow Holdings Realty Income Advisors, L.P., among others, serves as the sole general partner of one or more of the Funds. With respect to each of the Funds and our other advisory clients, we have been appointed, retained and engaged as sole investment manager to provide investment advisory, management, administrative and/or other services with respect to such Fund.

#### **ACCESS TO INFORMATION**

Investor and client rights to information regarding a Fund or client generally will be specified in, and governed by, the applicable governing documents and agreements. However, certain clients and investors may receive additional information and documents (or have access to such additional information) that is not generally made available to all investors and clients generally (and such investor or client may take actions or make determinations with respect to a client or vehicle based upon such information). Certain information or documents may be disseminated to certain clients or clients in advance of providing such information to other investors or clients. For example, investors in a Fund who designate one or more representatives to participate on the advisory committee may, by virtue of such participation, have more information about such Fund and investments in certain circumstances than other investors generally. Similarly, certain investors or clients may also be investors in other vehicles or ventures or accounts managed or sponsored by us or any of our affiliates, or engage in transactions with us, an affiliate or another investment vehicle or account managed or sponsored by us or an affiliate, and may receive additional information through such arrangements. Certain investors and clients may periodically request, or have access to (via side letter or otherwise), information regarding a Fund and its investments that is not otherwise set forth in (or has yet to be set forth in) the reporting and other information delivered or disclosed to all investors or clients. We

generally will have no duty to ensure all investors or clients seek, obtain or process the same information regarding us, our affiliates or our clients and their investments. Any actions take or determinations made by an investor or client based upon such preferential information may adversely affect or materially impact other clients or investors or investments owned by other clients or ventures or vehicles.

Certain information that is provided to one investor and not to another investor in a Fund (or prospective investor) may provide the recipient with greater insight into a Fund's activities, investments and operations, thereby enhancing such recipient's ability to make investment decisions with respect to such Fund or other Funds managed by us (including a prospective investor's decision to invest in a Fund or elect to participate in a co-invest opportunity or, if applicable, an investor's decision to request a redemption) and/or take action or make other decisions pursuant to the applicable governing documents of a Fund. This may adversely affect investors that do not receive or do not have access to such information. In addition, an investor that seeks to transfer its interest in a Fund, or a potential acquirer of such interests, may have difficulty in determining an appropriate price for such interests because it does not have access to information that it would consider material or which has been provided to its prospective counterparty.

## **SECONDMENTS AND INTERNSHIPS**

Certain personnel of CHC and its affiliates expect to, in certain circumstances, be seconded to one or more portfolio investments, vendors, service providers or investors in one or more Funds and other vehicles, ventures or clients sponsored by CHC or an affiliate thereof to provide finance, accounting, operation support, data management and other similar services, including the sourcing of investments for clients or other parties. The salaries, benefits, overhead and other similar expenses for such personnel during the secondment could be borne by CHC and its affiliates or the organization or employer for which the personnel are working or both. In addition, personnel of portfolio investments, vendors, service providers (including law firms and accounting firms) and investors in the Funds and other vehicles, ventures or clients sponsored by CHC or an affiliate thereof will, in certain circumstances, be seconded to, serve internships at or otherwise provide consulting services to, CHC, affiliates of CHC, the Funds, other clients, ventures and portfolio investments of the Funds and other clients. While often one or more Funds, other clients and portfolio investments are or may be the beneficiaries of these types of arrangements, CHC and its affiliates are from time to time a beneficiary of these arrangements as well, including in circumstances where the vendor, personnel or service provider or otherwise also provides services to the Funds, other clients, ventures, their portfolio investments, CHC and/or affiliates thereof in the ordinary course. We or our affiliates may or may not pay salary or cover expenses associated with such secondees and interns. We, our affiliates, the Funds and/or other CHC clients, ventures or affiliates could receive benefits from these arrangements at no cost, or alternatively we or our affiliates could pay all or a portion of the fees, compensation or other expenses in respect of these arrangements. The personnel described above may provide services in respect of multiple matters, including in respect of matters related to us, the Funds, other CHC clients, portfolio investments, each of their respective affiliates and related parties, and any costs of such personnel may be allocated between or among us and/or our affiliates.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **CODE OF ETHICS**

We have adopted and implemented a code of ethics, which sets forth standards of business conduct for our supervised persons. Our code of ethics is designed to educate supervised persons about our philosophy regarding ethics and professionalism, emphasize our fiduciary duties to clients, encourage supervised persons to comply with applicable laws,

prevent the misuse of material non-public information, the circulation of rumors and other forms of market abuse and address material conflicts of interest that arise from personal trading by access persons. Subject to the limitations of the code of ethics, access persons may buy and sell securities or other investments for their personal accounts, including investments in the Funds, and may take positions that are the same as, different from, or made at different times than, positions taken directly or indirectly for clients. We maintain a list of companies/issuers with respect to which a determination has been made that it is prudent to restrict personal trading activity by certain of our supervised persons (the “Restricted Trading List”). Our code of ethics prohibits access persons from trading in securities included on the Restricted Trading List without the prior approval of the Chief Compliance Officer. All access persons must also provide copies of, or otherwise direct their brokers or custodians to supply to our compliance team, (i) brokerage and/or custodial account statements (at least monthly or quarterly, at the same time they are sent to the access person) and (ii) duplicate copies of trade confirmations within 30 days after the applicable transaction. We also maintain certain policies and procedures designed to prevent supervised persons from misusing material non-public information and to address certain actual and potential conflicts of interest that may arise when supervised persons accept, provide, offer or give gifts or entertainment events. We have adopted a political contributions policy to facilitate compliance with rules regarding the political activities of registered investment advisers doing business with government entities (referred to as “pay to play” rules). We will furnish a copy of our code of ethics to clients and investors upon request.

#### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS; OTHER CONFLICTS OF INTEREST**

We and our affiliates may expand the range of services currently provided over time. Except as otherwise provided in the applicable governing or account documents of the Funds, we and our affiliates generally are not restricted in the scope of our business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are disclosed in this brochure. We have, and will continue to have and develop, relationships with a significant number of companies, financial sponsors and their senior managers, including relationships with companies who may hold or may have held investments similar to those made or intended to be made by the Funds. These companies may themselves represent appropriate investment opportunities for the Funds or may compete with the Funds for investment opportunities.

Properties and entities in which a Fund has or may have an ownership interest (directly or indirectly) may be in direct competition with properties and entities in which other Funds, Crow Family Holdings and its affiliates have an ownership or other interest, and Crow Family Holdings may be subject to conflicts of interest with respect to the selling, leasing or financing of properties owned by the Funds or owned by entities in which the Funds have ownership interests.

We and our affiliates (including the Funds) from time to time engage or may engage in transactions with prospective and actual investors and prospective and actual limited partners of other vehicles or accounts that entail business benefits to such investors. Such transactions may be entered into prior to or coincident with an investor’s admission to a Fund or during the term of their investment. The nature of such transactions can be diverse and may include benefits relating to the Funds, other vehicles or accounts and their respective issuers or portfolio companies.

Crow Family Holdings and its affiliates presently manage and/or have significant ownership interests in real estate assets or entities which may transact business with one or more of the Funds or entities or companies owned by the Funds. If a Fund were to transact any such business (directly or indirectly), certain conflicts of interest would be inherent in these situations. Any such investment will be negotiated at arms-length and on a basis that we believe will be fair and equitable.

Subject to the terms of the applicable governing or account documents, we may recommend or make investments on behalf

of a Fund or client in industrial real estate properties and/or other real estate or real estate related assets, properties and entities (i) in which we, Crow Family Holdings, CHI, the Funds, certain other accounts, non-advisory clients of us or our affiliates and/or their respective affiliates have or may have economic, business, personal, financial or other interests, or (ii) from which we, Crow Family Holdings, CHI, the Funds, certain of the other accounts, non-advisory clients of us or our affiliates and/or their respective affiliates may receive services, products or other items of value. If a Fund or client invests in a property or other asset established, managed, sponsored, advised or controlled by us, Crow Family Holdings, CHI, one or more Funds, non-advisory clients, certain of the other clients or accounts or their respective affiliates, we may have potentially conflicting loyalties and responsibilities regarding the applicable Fund or client and such property or other asset, and certain other conflicts of interest may be inherent in the situation. We will effect these transactions in accordance with fiduciary requirements and applicable law, and the terms and conditions set forth in the applicable governing and account documents (which may include disclosure and consent).

Various other actual and potential conflicts of interest exist (or may exist) between or among us, the General Partners, our principals, employees and agents, Crow Family Holdings, TCR, CHI, CHO, CHS, CHR, the Crow family, each of their respective affiliates and one or more other clients and/or investors. If any matter arises that we determine in good faith constitutes or may constitute an actual material conflict of interest, we may take such actions as we determine in good faith may be, or which pursuant to the applicable governing documents of a Fund are, necessary or appropriate to ameliorate or otherwise address or mitigate the conflict, including, without limitation, consulting with the applicable advisory committee of a Fund with respect to such conflict and either obtaining a waiver from the advisory committee of such conflict or acting in a manner, or pursuant to standards or procedures, approved by the advisory committee with respect to such conflict (and upon taking such actions we and our affiliates will be relieved of any liability for such conflict of interest to the fullest extent permitted by law). There can be no assurance that we will resolve or be able to resolve or address any or all conflicts of interest in a manner that is favorable to the Funds.

## **CROSS AND PRINCIPAL TRANSACTIONS**

When permitted by applicable law and subject to and in accordance with the terms of the applicable governing documents of each Fund, we may cause a Fund to acquire or dispose of investments in cross trades between such Fund and other investment vehicles managed by us or our affiliates or effect principal transactions where we cause a Fund to purchase investments from or sell investments to us, our affiliates, or any other investment vehicle in which CHC or its affiliates have a significant ownership interest; provided, that, any such transaction be approved to the extent required by the applicable governing documents of a Fund and applicable law. Under the governing documents of a Fund, certain of such transactions will require the approval of the advisory committee or a majority in interest of the investors (subject to certain exceptions), which approval will be deemed to constitute the approval of, and be binding upon, a Fund and all investors in such Fund. There may be potential conflicts of interest or regulatory issues relating to these transactions which could limit our decision or discretion to engage in these transactions for or on behalf of a Fund. In connection with a cross trade or a principal transaction, we may have a potentially conflicting division of loyalties and responsibilities regarding a Fund and the other parties to trade. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or CHC might have an incentive to improve the performance of one fund by selling underperforming assets to a Fund in order, for example, to earn fees or additional fees. Additionally, in connection with such transactions, CHC and/or CHC personnel may (a) have significant investments, or intentions to invest, in the "CHC fund" that is selling and/or purchasing such an investment or (b) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). As a result of such transactions, we may receive a carried interest sooner than we otherwise would have. There can be no assurance such transactions will be effected, or that such transactions will be effected in the manner that is most favorable to any Fund (or

its investors) as a party to any such transaction. By virtue of entering into subscription agreements with respect to a Fund, an investor may be deemed to consent to the Fund entering into cross trades and, subject to advisory committee consent or consent of a majority in interest of the investors (subject to certain exceptions), principal transactions to the fullest extent permitted under applicable law.

In connection with the closing of credit investments, special purpose vehicles of our credit venture clients typically enter into participation agreements, which provide for participations in such investments on a pari passu basis in accordance with their applicable sharing percentages. Such participation agreements, and the participations granted thereby, are not separate and distinct investments or investment transactions; rather, they are only intended as structuring mechanisms ancillary entered into in connection with the closing of credit investments to enable one or more clients to indirectly participate therein.

## **VALUATIONS**

The fair value of all Fund investments generally is calculated by the applicable General Partner, together, in certain circumstances, with one or more third party service providers or valuation agents, in good faith in accordance with guidelines consistent with U.S. generally accepted accounting principles and reviewed by each Fund's independent public accountants. Valuations are subject to determinations, judgments, projections and opinions and other third parties or investors may disagree with such valuations. Accordingly, the carrying value of an investment may not reflect the price at which such investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. Additionally, under certain limited circumstances set forth in the applicable governing documents of a Fund, distributions in kind of investments for which public third-party valuations may not be readily available may be made. The valuation of such investments will be determined by us or an affiliate in accordance with the applicable governing documents. Given the nature of investments and applicable market and other conditions, valuation of assets may be difficult. There may be a relative scarcity of market comparables on certain property types on which to base the value of a Fund's assets.

The valuation of investments may affect or impact our entitlement to carried interest or performance allocation and/or our ability to raise a successor fund or other vehicles or accounts. As a result, although such valuations will be determined in accordance with our valuation policies (and the valuation methodology set forth in the applicable governing documents of a Fund), there may be circumstances where we are incentivized to determine valuations that may be higher than the actual fair value of a Fund's investments.

## **DIFFERENCES AMONG CLIENT ACCOUNTS; OTHER ACTIVITIES**

Our decisions and actions and recommendations differ among clients. Advice given or recommendations made to, or investment or voting decisions or recommendations made for or on behalf of, one or more clients or non-advisory clients may compete with, affect, differ from, conflict with, or involve timing different from, advice or recommendations given or investment or other decisions made for or on behalf of other clients or non-advisory clients (including purchasing (or holding) properties, assets, securities or other investments on behalf of one client or non-advisory client while selling such properties, assets, securities or investments on behalf of another client or non-advisory client).

In the course of our activities, including activities of, and decisions or recommendations or advice made on behalf of, clients and non-advisory clients, we may acquire confidential information or otherwise become restricted in our investment activities. In such event, we may not be free to act upon such confidential information in the course of performing our duties for clients or non-advisory clients, and we may not be able to initiate a transaction for a client that we otherwise would have initiated, with the result being that we are unable to purchase or dispose of a position. Such restrictions would apply even if

we were not involved in, and could not have benefitted from, the receipt of such information. To the extent our personnel also perform or provide services, functions, duties or responsibilities with respect to one or more of our affiliates, such personnel may acquire confidential or non-public information (or acquire knowledge of) in the course of performing such duties, functions and services on behalf of such affiliates, and we may be limited or restricted in our ability to execute or effect or otherwise act on certain transactions.

## **CO-INVESTMENT OPPORTUNITIES**

Subject to the terms and conditions of the applicable governing and offering documents of a Fund, we may, but generally are not required to, elect to offer any co-investment opportunity to one or more investors, including Crow Family Holdings or an affiliate or related person thereof, or affiliates of investors or one or more third parties, in each case, on such terms and conditions as determined by us, which such terms are expected to be more favorable than the terms set forth in the applicable governing documents of such Fund. Pursuant and subject to the governing and account documents of certain Funds, a co-investment opportunity that we in our sole discretion elect to offer generally may be required to be offered to all investors in such Funds on a pro rata basis (as and to the extent applicable).

Notwithstanding the foregoing, we may in our sole and absolute discretion, and for reasons of administrative convenience, defer offering any such co-investment opportunity until after the closing of such co-investment opportunity, and may, in connection with such closing, permit a Fund, Crow Family Holdings or an affiliate of us or the General Partner to acquire the entirety of such investment opportunity pending the offer of such co-investment opportunity. All major decisions with respect to any such co-investment, including from Crow Family Holdings, will be controlled by the applicable Fund.

In connection with such investments, we may determine to form one or more co-investment entities and offer participation in such co-investment entities to co-investors or may permit co-investors to participate directly in an investment. In determining to offer any co-investment opportunity in a specific investment, we generally will determine if the amount of an investment opportunity exceeds the amount we determine in our discretion would be appropriate for the applicable Fund(s), taking account of relevant circumstances (which will vary investment opportunity to investment opportunity) (including, without limitation, the size of the investment opportunity, a Fund's available commitments, the probability of follow-on investments related to such investment, the construction of the applicable Fund's investments (including, but not limited to, asset class, geographic location, and investment restrictions in the respective account's governing documents); the nature and risk profile of the opportunity, the source of the opportunity, the stage of development of the investment entity, the expected life cycle of the account, the ability of the account to accommodate structural, timing and other aspects of the investment process, and legal, tax, contractual, regulatory and other considerations deemed relevant by us) before allocating any portion of such investment to one or more co-investors, unless we determine a particular co-investor may potentially add strategic value with respect to such investment or that offering such co-investment opportunity is otherwise in the best interest of the applicable Funds.

While we intend to determine the availability of co-investment opportunities in good faith, the ability of Crow Family Holdings or any related parties thereof (including members of the Investment Committee) to participate in co-investment opportunities may create an incentive for us to offer co-investment opportunities in lieu of offering all of an investment opportunity to an applicable Fund.

In general: (a) no investor in a Fund has a right to participate in any co-investment opportunity (except as otherwise agreed with an investor or disclosed to the investors in a Fund); (b) decisions regarding whether and to whom to offer co-investment opportunities are made in our sole discretion or other participants in the applicable transactions, such as co-sponsors; (c)



subject to the terms and conditions of the applicable governing documents, co-investment opportunities may be offered to some and not other investors, in our sole discretion; (d) certain persons other than investors (e.g., third parties or Crow Family Holdings) may be offered co-investment opportunities, in our sole discretion; (e) Investment Committee members and other select employees of Crow Holdings Capital may invest in any offered co-investment opportunity and such opportunity may not be offered to the investors in a Fund; and (f) co-investors may purchase their interests in the underlying investment at the same time as the applicable Fund or may purchase their interests from the Fund after the Fund has consummated its investment in the investment (also known as a post-closing sell down or transfer).

With respect to consummated transactions, co-investors will typically bear their pro rata share of fees, costs and expenses related to the discovery, investigation, development, acquisition or consummation, holding, ownership, maintenance, monitoring, hedging and disposition of their co-investments. In certain circumstances, co-investors will also be required to pay their pro rata share of fees, costs and expenses related to potential investments that are not consummated, such as breakup fees or broken deal expenses. While a General Partner will endeavor to allocate such fees, costs and expenses on a fair and equitable basis, there can be no assurance that such fees, costs and expenses will in all cases be allocated appropriately. In addition, co-investors may not agree to pay or otherwise bear fees, costs and expenses related to unconsummated co-investments (and in certain circumstances, co-investors may not bear such fees, costs and expenses because they have not been identified as of the time such potential investment ceases to be pursued). In such event, such fees, costs and expenses will be considered operating expenses of and be borne by the applicable Fund.

To the extent any co-investment vehicle is offered an opportunity to invest in an investment, because we are not necessarily required to offset fees for such co-investments, it may incentivize us to allocate a greater portion of an investment to the co-investment vehicle than it would otherwise make in the absence of such an arrangement.

Subject to the terms, conditions and exceptions set forth in the applicable governing and offering documents, each investor investing in Crow Holdings Realty Partners X and its related vehicles ("Fund X") whose (a) capital commitment to Fund X or (b) capital commitment to Fund X, together with its capital commitments to prior Funds and vehicles sponsored by Crow Holdings Capital, equals the required thresholds set forth in the applicable governing and offering documents, in each case, will be provided the opportunity to participate in a co-investment program that is expected to be offered not less than 10% of each co-investment opportunity, if any, alongside Fund X that is being offered to Fund X investors. Investments held through this co-investment program generally will be subject to lower management fees and carried interest than investments held through Fund X. In addition, certain large investors have or may have the right to elect to participate on a pro rata basis in any co-investment opportunity offered by us to other investors (including co-invest opportunities offered to mid-sized Fund X investors as described above).

## **OTHER POTENTIAL CONFLICTS**

The legal and/or organizational, account or governing documents of a Fund, investment management agreements between us and each Fund and/or other agreements in respect of portfolio investments and assets establish complex arrangements among the parties, including between investors and the Funds. Questions may arise from time to time under these agreements regarding the parties' rights and obligations in certain situations, many of which may not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, may be broad, general, ambiguous or conflicting, and may permit more than one reasonable interpretation. At times there may not be a provision directly applicable to a situation. While we will construe the relevant agreements in good faith and in a manner consistent with our legal obligations, the interpretations adopted may not be, and need not be, the interpretations that are the most favorable to a Fund or its investors.

## **ITEM 12: BROKERAGE PRACTICES**

### **BROKER SELECTION AND BEST EXECUTION**

We generally focus on making private investments in real estate and real estate related assets, which transactions typically are privately negotiated between us and sellers or buyers. Accordingly, the investment strategies we employ for the Funds do not generally involve securities transactions that require the use of a broker or other counterparty. However, we may from time to time cause a REIT subsidiary of a Fund to acquire (and ultimately dispose of) a small amount of publicly traded securities in order to generate “real estate” related income until such time as the actual real estate asset begins generating qualifying “real estate” income. We or an affiliate generally have or has the sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or counterparty, if any, to be used to effect transactions. In placing each transaction for a Fund or REIT subsidiary involving a broker or counterparty, we will seek “best execution” of the transaction except to the extent we are permitted to pay higher brokerage commissions in exchange for brokerage and research services. “Best execution” means obtaining for a Fund the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account various factors or considerations deemed relevant or appropriate in our discretion. In determining whether a particular broker or counterparty is likely to provide best execution in a particular transaction, we take into account all factors and considerations that we deem relevant or appropriate in our discretion including, among others, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker, and the quality of service rendered by the broker in other transactions. To the extent consistent with achieving best execution, we may also consider other business a particular broker or counterparty has done with us or our affiliates, such as identifying investment opportunities, performing investment banking or banking services and providing services to our affiliates and personnel. We will at times “pay up” (pay a higher commission to execute a trade than the lowest available negotiated commission) using a portion of a broker’s brokerage commission for brokerage and research services in accordance with the safe harbor set forth in Section 28(e) of the Securities Exchange Act of 1934, as amended. A broker providing such brokerage and research services will receive a commission in excess of the amount of commission another broker would have received for effecting that transaction provided we determine in our discretion that such commission was reasonable in relation to the value of the research and brokerage services provided by a broker. Any such research could be broadly useful and of value to us in rendering advice to all or a material portion of our clients, or could be relevant and useful for the management of one or only a few client accounts, regardless of whether such account or accounts paid commissions to the broker through which the research service was provided. We will only make securities transactions that we in good faith believe are in the best interest of a client. A conflict of interest exists when a broker provides such research services, however, as we will have an incentive to favor such broker over others that charge lower commissions.

We have adopted policies and procedures that we believe are reasonably designed to ensure that our clients achieve best execution and that brokers, counterparties and other service providers utilized have been selected based on our clients’ best interests.

### **BROKERAGE FOR CLIENT REFERRALS**

From time to time we may speak at conferences and programs that are sponsored by one or more of our service providers or other third-parties for investors interested in investing in investment funds. These conferences and programs may provide opportunities for us to be introduced to potential Fund investors. Generally, these third-parties will not be compensated by us, the Funds, or potential investors or clients for providing such introductions. These third-parties may, however, provide services to us or the Funds, and such additional services provided by these third-parties, including the opportunity to attend

events, may influence our decision to use (or continue to use) their services.

## **ORDER AGGREGATION**

To the extent applicable, we may aggregate or “bunch” trade orders for multiple clients from time to time when it would be in the clients’ best interests to do so. Aggregated orders will be allocated among applicable clients on a fair and equitable basis under the circumstances, but generally *pro rata* per suitable client. Additionally, aggregated trades are subject to our best execution obligations.

## **ALLOCATION OF INVESTMENT OPPORTUNITIES**

We and our affiliates currently act, and may in the future act, as general partner and/or investment manager to additional clients and vehicles with investment objectives that are or may be similar to, different from, or overlap with those of other clients and vehicles that will impose certain obligations or restrictions upon us and our affiliates in respect of the allocation of investment opportunities. We face actual and potential conflicts of interest in allocating investment opportunities among our various applicable clients and other persons (including conflicts as a result of differences in the financial or fee structure of clients that would potentially participate in any such opportunity). In general, our policy is to allocate investment opportunities among our various applicable clients and other persons in accordance with the terms and conditions set forth in the applicable governing, account and offering documents of the Funds and our internal policies, procedures and guidelines, to the extent applicable.

Subject to the terms, conditions and exceptions set forth in the applicable governing, account and offering documents, our “value-add” Funds generally have (during their respective investment periods) priority with respect to investment opportunities identified by us, the General Partners, any of their respective affiliates or Crow Family Holdings that are within the scope such Funds’ investment objectives, terms, conditions and exceptions, including specific carve-outs set forth in the applicable governing and offering documents, and with respect to which we, the General Partners, any of their respective affiliates or Crow Family Holdings desire(s) to invest its or their own funds. With respect to any successor fund of a “value-add” Fund for which an initial closing of investors has been held prior to the expiration of the investment period of such “value-add” Fund, we may allocate to such successor fund, on a basis which we believe to be fair and equitable, a portion of any investment opportunity that meets the investment objectives of both such Fund and such successor fund. In the circumstances where a Fund, on the one hand, and one or more other Funds, any successor fund or any affiliate of Crow Family Holdings, on the other hand, jointly participate in an investment, unless consented to by the applicable “advisory committee” or “investor committee” with respect to such Fund, such parties will hold the same type of interest in the investment and invest and divest from such investment at the same time and on the same terms. We do not allocate investment opportunities based on anticipated compensation or profits to us, Crow Family Holdings or any affiliates or personnel thereof.

Subject to the terms, conditions and exceptions set forth in the applicable governing documents, Crow Holdings Development Opportunities Fund I, LP and its related vehicles (the “Development Funds”) generally will have priority with respect to all prospective investment opportunities identified by us, the General Partner(s), or any of their respective affiliates or Crow Family Holdings that are within the scope of the investment objectives of the Development Funds and with respect to which the General Partner, we, any of their affiliates or Crow Family Holdings desires to invest their own funds, subject to the various specific carve-outs and conditions set forth in the applicable governing documents of the Development Funds.

Subject to the terms, conditions and exceptions set forth in the applicable governing and offering documents, our “core-plus” Fund generally has priority with respect to investment opportunities identified by us, the General Partner, any of their affiliates or Crow Family Holdings that are within the scope of such Fund’s investment objectives and with respect to which we, the General Partner, any of their affiliates or Crow Family Holdings desires to invest its or their own funds, subject to the various specific carve-outs and conditions set forth in the governing and offering documents of the core-plus Fund.

Subject to the terms, conditions, exceptions and carve-outs set forth in the applicable account and governing documents, our credit venture clients generally will, during their investment periods, have priority with respect to all eligible credit opportunities (senior mezzanine, subordinate “B” notes, certain preferred equity securities, senior loan originations and/or lender recapitalizations) identified by us or any of our affiliates that are fully within the scope of their investment parameters, in accordance with the process set forth in the applicable governing and account documents.

Subject to the terms, conditions, guidelines and criteria set forth in the applicable governing documents, certain clients and ventures advised by our Partner Solutions business unit generally will, during their applicable investment periods, have priority with respect to investment opportunities identified and sourced by, and reasonably available to, Partner Solutions that Partner Solutions reasonably believes in good faith satisfy and meet the investment criteria and guidelines applicable to such clients.

Subject to the foregoing and except as otherwise set forth or disclosed in the applicable governing, disclosure or offering documents of a Fund or agreements with other clients, we generally are not required to accord exclusivity or priority to any client with respect to any particular investment opportunities. To the extent a particular investment opportunity (including any co-investment opportunity) may be appropriate or suitable for more than one applicable client and/or others (as determined by us in our discretion), such investment generally may be allocated, offered or otherwise made available only to one or more of such applicable client(s) and/or others or between or among such applicable clients and/or others in accordance with our general allocation principles and procedures, as applicable, which will be based on factors that we and our affiliates reasonably determine in good faith to be fair and reasonable including, without limitation, the terms and requirements set forth in the applicable governing or account documents, portfolio diversification considerations, the relative amount of assets dedicated to such opportunity set or the amount of cash then available for investment in each client relative to other anticipated investment opportunities, the types of investments being offered and/or the investment objectives, guidelines and restrictions and risk profiles of each applicable client, with the result being that certain opportunities may not be allocated to certain clients or among such clients on a pro rata basis. We or an affiliate may engage in transactions or investments or cause or advise other clients or persons to engage in transactions or investments that may differ from or be identical to the transactions or investments engaged in by us or our affiliates for or the advice given by us with respect to another client.

## **TRADE ERRORS**

In the course of managing the Funds, we expect trade errors to occur from time to time. Although there is no standard definition of trade errors, they may include a number of situations, such as:

- Purchasing securities or assets not legally permitted for a Fund, or not within a Fund’s investment guidelines;
- Purchasing or selling the wrong securities or assets or the wrong amount of securities or assets for a Fund;
- Purchasing or selling securities or assets for the wrong Fund; or

- Allocating securities or assets to the wrong Fund.

A trade error, however, does not include errors that are corrected at the counterparty level or otherwise corrected prior to settlement.

If a Fund incurs costs as the result of a trade error, such Fund generally is required to bear such costs unless the trade error was caused by our gross negligence, willful misconduct or material violation of applicable laws or regulations (to the extent permitted by applicable law) (except as otherwise provided in the applicable governing documents of a Fund). Notwithstanding the foregoing, we may elect to bear the costs of any trade error in our sole discretion.

Trading activity is monitored for errors and any errors are reported to the Chief Compliance Officer for further review and recordkeeping.

#### **NON-ADVISORY CLIENTS**

As disclosed herein, we and our affiliates provide, and expect to provide, various advisory, non-advisory, administrative and other services with respect to entities, vehicles, ventures, accounts and/or programs managed or sponsored or advised by us, CHI, TCR and other affiliates, and the activities and operations of such other vehicles and ventures (including non-advisory clients) may raise actual or potential conflicts of interest.

### **ITEM 13: REVIEW OF ACCOUNTS**

#### **REVIEWS OF ACCOUNTS**

CHC's investment committee generally reviews and approves all investment and disposition decisions and financings of the Funds. Appropriate records, research and due diligence files are maintained with respect to each investment made by the Funds. Additionally, the investment committee provides ongoing oversight of Fund investments through weekly investment committee meetings and, at least annually, reviews each Fund investment, including applicable budget, forecast and projection.

The investment committee of our Partner Solutions business unit generally is responsible for reviewing and approving all investment and disposition recommendations with respect to applicable Partner Solutions clients and ventures. Subject to the terms, conditions and exceptions set forth in the applicable governing and offering documents, the Partner Solutions investment committee is also responsible for ongoing oversight and management of client investments.

With respect to accounting matters, we have engaged an independent public accounting firm to conduct an annual audit of each of the Funds and certain other applicable clients in accordance with the requirements of Rule 206(4)-2 under the Advisers Act.

#### **FACTORS TRIGGERING ADDITIONAL REVIEWS**

In addition to periodic reviews, additional reviews may be undertaken in response to, among other things, changes in market or economic conditions, changes in investments or underlying real estate assets, or changes in a Fund's investment objectives or policies.

## REPORTS

We provide investors in the Funds and clients with quarterly unaudited financial statements and annual audited financial statements (including, in each instance, a balance sheet, income statement, and statement of partners' capital). After the close of each taxable year, we provide investors with tax information for the preparation of their respective federal income tax returns. We provide or may provide other reports, statements and information to clients or investors with respect to a Fund or client including, without limitation, as a result of provisions in side letters entered into between a General Partner and an investor in a Fund or an investment management agreement between us and a client or pursuant to the terms of the applicable governing documents of a client. Such investors or clients may take certain actions with respect to their investments in the Funds based upon or as a result of such information or statements.

## ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

### THIRD-PARTY COMPENSATION

Except as set forth in **Item 12** or otherwise disclosed herein or in the applicable offering, account or governing documents of a Fund, we currently do not receive any economic benefit from any person who is not a client for providing investment advice or other advisory services to our clients.

### PLACEMENT AGENT AND MARKETING ARRANGEMENTS

We have entered into and may enter into agreements or arrangements with third party placement agents, solicitors or marketing agents who solicit and refer investors in one or more of the Funds to us. For their placement agent and other services, such persons receive or may receive various types of fees and compensation from us or our affiliates including, without limitation, (i) a percentage of the management fee and/or carried interest or performance-based compensation payable or allocable to us or our affiliates, (ii) a percentage of an investor's commitment, (iii) an allocation paid to us or our affiliates by such applicable investors, and/or (iv) a flat fee or retainer payment. Except as otherwise disclosed to or agreed by an investor, investors generally will not be charged any higher or additional fee as a result of such agreements or arrangements (except as otherwise set forth in the applicable offering or governing and account documents of a Fund). In every instance, all arrangements and payments of referral fees and other similar broker-dealer commissions will be disclosed to applicable investors. The names of placement agents engaged with respect to certain Funds are set forth in Section 7.B of Schedule D of Part I of our Form ADV.

As disclosed in Item 10, CHS will act as a dedicated placement agent for the private offer and sale of interests in one or more of the Funds and/or other ventures and vehicles managed or sponsored by us and/or our affiliates. We or one or more of our affiliates, not any of the Funds or investors in the Funds, will reimburse CHS for its expenses and costs for its placement agent services. **See Item 10.**

See Item 5 for information regarding the fees and other compensation we receive or may receive from clients, investors and other persons in connection with our advisory, management and other services.

## **ITEM 15: CUSTODY**

We are deemed to have custody of each Fund's cash and securities for purposes of Rule 206(4)-2 under the Advisers Act. To the extent required by Rule 206(4)-2 under the Advisers Act or applicable law, each Fund's cash and securities (other than "privately offered securities," as defined in Rule 206(4)-2 under the Advisers Act) are held with one or more qualified custodians selected by us or the General Partners. Assets or properties directly or indirectly owned or held by clients that are not "securities" (such as direct investments in real estate properties) generally are not required to be held or maintained with a qualified custodian. Subject to the terms and conditions of the applicable governing and account documents, we may change custodians at any time and from time to time without the consent of, or notice to, investors. Independent public accounting firms have been engaged to conduct annual audits of the Funds, and audited financial statements (prepared in accordance with U.S. generally accepted accounting principles) generally are provided to investors on an annual basis. We attempt to provide such statements to investors within 120 days after the end of each fiscal year (or such earlier time period required in the applicable governing documents of a Fund or such later time permitted by applicable law), but there can be no assurance that we will be successful in this regard. Qualified custodians do not provide statements directly to investors in the Funds.

Rule 206(4)-2 under the Advisers Act does not apply with respect to any of our non-advisory clients or persons or entities to which we or an affiliate provide only non-advisory services (such as ventures or vehicles that do not invest in, own or hold any securities).

Loans and other credit investments held in client portfolios generally are originated or otherwise sourced by us and our affiliates. Such loans and credit investments generally are funded by special purpose investment entities owned directly or indirectly by our credit venture clients, including our affiliates, and may also be funded from time to time by one or more third parties (such as banks and other non-bank lenders) which are not our advisory clients. We, an affiliate or a third party serve(s) or may serve as the administrative agent for such loans and credit investments.

We generally are deemed to have custody of the assets of our credit venture clients (and their subsidiaries) because we or an affiliate serves as general partner or managing member of a credit venture and/or we have the authority to withdraw client funds from a separately managed account pursuant to an investment management agreement with such client. We currently do not intend to commingle the assets of our clients and any third-parties in a single "agency account" with respect to which we or an affiliate serves as administrative agent.

## **ITEM 16: INVESTMENT DISCRETION**

### **DISCRETIONARY AND NON-DISCRETIONARY AUTHORITY**

Subject to the terms, limitations and conditions of the applicable governing and account documents, we generally have discretionary power and authority over the types of investments to be bought or sold, as well as the amount to be bought or sold, on behalf of our clients. In addition, to the extent applicable, we generally have authority to determine or otherwise recommend the applicable counterparty (or other service providers or vendors) to be used for client transactions and the negotiation of commission rates and other consideration to be paid by clients.

With respect to certain Funds or clients (including clients advised by Partner Solutions or separately managed account clients), we provide and expect to provide non-discretionary or limited discretionary advice and recommendations with respect to

investments, where we make recommendations and the applicable investor or client or advisory or management committee of a client or Fund has the ultimate responsibility and discretion to determine whether or not to take or implement or approve our recommendations. We typically have the authority or responsibility to arrange or effect any investment that is approved by the applicable investor, client or advisory committee with respect to a Fund or client.

As disclosed herein, we provide or may provide non-advisory services (or advice that does not relate to or involve securities) to various persons, ventures, vehicles and entities, and such services may be on a discretionary or non-discretionary (or limited discretionary) basis.

For separately managed account clients, a separate investment management agreement is negotiated and entered into by us and the client for such managed account. These agreements typically confer limited investment discretion to us as investment adviser or manager, as well as set forth the investment guidelines, limitations and restrictions applicable to such accounts. Managed accounts may either be discretionary or non-discretionary in accordance with the terms set forth in the applicable investment management agreement for such managed account.

#### **LIMITED POWER OF ATTORNEY**

Each investor in the Funds generally grants the applicable General Partner and certain affiliates and agents thereof a limited power of attorney to enable the General Partner and such persons to execute the applicable partnership agreement and take certain actions with respect to the applicable Fund on its behalf. The governing documents of each Fund typically provide the General Partner with a limited power of attorney to take certain actions and make certain determinations with respect to, or on behalf of, such Fund. With respect to separately managed accounts, the applicable investment management agreement between us and each client typically grants us a limited power of attorney to take certain actions, and make certain determinations, on behalf of such client (including, without limitation, the authority to perform various administrative and non-advisory services and activities with respect to such client and its affiliated entities).

#### **ITEM 17: VOTING CLIENT SECURITIES**

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

Each of the Funds typically invests indirectly in real estate and real estate related assets and investments (including private credit investments), and we generally do not provide investment advisory services with respect to publicly traded securities or any other securities that would require us or an affiliate to vote proxies on behalf of clients. As such, we currently do not exercise voting authority on behalf of clients. In the event that we or an affiliate (a) have proxy voting authority with respect to our clients and (b) are called upon to exercise such proxy voting authority, our policy generally will be to exercise reasonable care to ensure that proxies are voted in manner that we reasonably believe to be in the best interests of each applicable client (as determined in our sole discretion based upon various applicable factors or considerations), and we will adopt procedures reasonably designed to ensure compliance with such policy.



## **ITEM 18: FINANCIAL INFORMATION**

We do not have any financial commitment that impairs our ability to meet contractual and fiduciary commitments to our clients, nor have we been the subject of any bankruptcy proceeding.

## **GENERAL INFORMATION**

### **PRIVACY POLICY**

We have adopted policies and procedures that we believe are reasonably designed to protect various records and information of investors and to detect, prevent and mitigate identity theft. Except as set forth in the applicable offering materials, our disclosures to investors and/or clients and as otherwise authorized by each investor or client, private information about investors and clients is disclosed only as permitted by applicable law to our affiliates and service providers, including our accountants, administrators, attorneys, brokers, custodians, and transfer agents, and as otherwise disclosed and described in our privacy policy.