

LaSalle Debt Investors, Inc.

Part 2A of Form ADV

Brochure

March 28, 2024

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Item - 1 - Cover Page

This brochure provides information about the qualifications and business practices of LaSalle Debt Investors, Inc. (“LDI”), IARD/CRD Number 158422. If you have any questions about the contents of this brochure, please contact us at 310-234-2100. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about LDI is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2 - Material Changes

Since LaSalle Debt Investors, Inc. (“LDI”) last annual update to this Brochure on March 31, 2023, we note the following material changes:

- Item 4 includes a description of the change in LDI’s ownership structure in which JLL Co-investment Inc. acquired the remaining interest in 2023.
- The Brochure was updated throughout to include various discussions relating to LDI providing limited advice with respect to the origination of short-term floating rate first mortgages secured by commercial real estate to JLL Income Property Trust (“JLL IPT”).
- LDI added Litigation and Reliance on Key Employees to the list of its related risks provided in Item 8.

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Item 4 - Advisory Business

LDI was founded in September 2000 as Legg Mason Real Estate Investors, Inc. by Glenn Sonnenberg and Wallace (“Chip”) Sellers Jr. LDI was originally a wholly owned subsidiary of Legg Mason Inc. (“Legg Mason”).

- On March 31, 2009, Legg Mason sold its 100% interest in LDI to Latitude Holdings, LLC, a company controlled by Glenn Sonnenberg.
- On January 1, 2019, Latitude Holdings sold 80% of its interest in LDI to JLL Co-investment Inc.
- LDI, formerly known as Lasalle Mortgage Real Estate Investors, Inc. and Latitude Management Real Estate Investors, Inc. (prior to January 1, 2019), changed its name to LaSalle Debt Investors in January 2020, in conjunction with a rebranding activity to simplify its name.
- In the fourth quarter of 2023, JLL Co-investment Inc. acquired the remaining interest in LDI.

As of December 31, 2023, LDI and its affiliates had over \$711 million in regulatory assets under management. All such assets were in the form of pooled investment funds managed/advised by LDI.

The Private Mortgage REITs

Based in Los Angeles, and Denver, LDI currently provides discretionary investment advisory services to three private mortgage real estate investment trusts (the “REITs”) Latitude Management Real Estate Capital III, Inc. (“LMREC III”), and Latitude Management Real Estate Capital IV, Inc. (“LMREC IV”) and LaSalle Mortgage Real Estate Capital V, Inc. (“LMREC V”). The REITs primarily invest in commercial real estate related debt instruments structured as floating rate first mortgages collateralized by real estate assets located in the U.S. The REITs are organized as discretionary funds with no pre-identified investments at the initial closing date of each fund. LMREC III’s investment period terminated January 14, 2019, LMREC IV’s terminated on April 30, 2022, and LMREC V’s investment period began October 18, 2022. The regulatory assets of the REITs are the entire regulatory assets of LDI. These funds employ leverage. All three REITS are closed end funds. As of the date of this ADV, LMREC V is accepting new equity commitments through September 30 2024. LDI is working with its affiliates, including LaSalle Investment Management, Inc. (“LIM”) a registered investment advisor to structure and market additional products.

Other Business

LDI acts in an advisory capacity to LIM with respect to certain debt assets acquired by JLL Income Property Trust (“JLL IPT”), a perpetually offered daily priced REIT managed by LIM. LDI continues to monitor other investment opportunities and is looking for additional real estate related debt investment opportunities. While LDI has not currently formed any additional offerings, it is anticipated that during 2024 LDI will structure, raise

capital for, and commence investing in a newly formed open-end debt fund (a debt fund structured to allow under certain circumstances non pro rata contributions and redemptions).

The Funds

LMREC III, LMREC IV, and LMREC V are organized as corporations electing to be taxed as REIT's for federal income tax purposes, and in the aggregate are referred to herein as the Funds. The Funds have several wholly owned subsidiaries to facilitate financing transactions. The offering materials for the Funds contemplate that there may be parallel funds, which would be expected to invest in assets side-by-side on a pro-rata basis (based upon capital commitments) with one of the aforementioned entities. Generally, parallel funds would be established to accommodate specific tax, or legal structuring issues impacting certain types of investors. To date, LDI has not created a parallel fund as such term is used in the applicable offering material.

Sidecars

LDI may provide to investors that make a specified capital commitment, or third parties the right to participate in a separate investment vehicle ("Sidecar") for the purpose of participating on a levered or unlevered basis in certain co-investment opportunities with a particular Fund (generally because the asset in question would be too large for the Fund to acquire without a co-investment vehicle). A Sidecar differs from a parallel fund in that it participates in the economics on a single investment, rather than proportionally on all investments of the Fund. The minimum capital commitment amount required to participate in a Sidecar would be dependent on the specific transaction. The size of any Sidecar if offered and the selection of participating investors will be determined in LDI's discretion on an investment-by-investment basis. To date, none of the REITs have offered any Sidecar investment to any investor or third party (nor have the REITs jointly invested in any asset or invested in conjunction with LDI in any asset).

Services Provided

With respect to the Funds, LDI is responsible for identifying investment opportunities as well as facilitating the acquisition, monitoring, and in the case of real estate owned ("REO") acquired by foreclosure, or deed in lieu by any of the Funds, disposition of such investment (loans are typically held to payoff rather than sold). LDI provides investment advice to the Funds or "clients" (not to investors in the Funds). LDI tailors its advisory services to the individual needs of each Fund, in accordance with the investment objectives, strategies and limitations (if any) described in each Fund's respective offering documents, charter, bylaws, or if applicable at a future date its operating agreement or limited partnership agreement ("Governing Documents").

Side Letters

LDI has entered into side letters or similar arrangements with certain Fund investors that have the effect of establishing or otherwise benefiting such investors in a manner more

favorable than the rights and benefits described in the Fund(s) offering documents and agreements. Rights and benefits that are more favorable in any material respect may be afforded to an investor based upon its commitment level, history with LaSalle or LDI, and date of commitment, and the same favorable rights and benefits may be extended, or not, to other investors in accordance with each respective Fund's offering materials. These rights and benefits may include most favored nation status, advisory committee designations, fee rebates, share purchase price discounts, investment restrictions, reporting requirements, tax considerations, and other terms and conditions. Side letters if applicable are negotiated at the time of a Fund's formation, or if later at the time of an investor's commitment. Once invested in a Fund, investors cannot impose additional investment guidelines or restrictions on such Fund.

Item 5 - Fees and Compensation

Fees are determined and assessed in a manner specific to each Fund. For the specific fees charged by any specific Fund, please refer to the Governing Documents for that Fund. The fees paid by the Funds are typically not negotiable; however, LDI may agree to discounts on the fee based on the Fund investor composition, and/or rebate some portion of such fee to certain investors or investor classes. Certain fees may be deferred or waived from time to time at the discretion of LDI.

1. Management Fees

LMREC III and LMREC IV currently pay annual base management fees equal to 1.5% of the total commitment amount during the investment period (or some portion thereof), net invested capital (measured on a historic cost basis) thereafter. Depending on the size of an investor's commitment to a specific Fund, a portion of such base management fee may be rebated by LDI directly to either the Fund (in the case of LMREC IV and V below) or a particular Fund investor. The management fees are charged and paid quarterly in advance, as described in each Fund's offering materials.

Some Investors in LMREC III, and LMREC IV have entered into a side letter with LDI that provides a rebate that is variable. The amount of the base management fee rebate can be reduced by a percentage of distributions made by LMREC III or LMREC IV; however, in no case will the total base management fee net of rebates exceed the base management fee prior to any rebate or offset.

In the case of LMREC IV, LDI has structured the fund to include a rebate to LMREC IV if certain origination targets are not met during the initial 2 years of the investment period of such fund. In the first year of LMREC IV, as measured from May 2017 to May 2018, LMREC IV failed to meet the origination target and LDI rebated to LMREC IV a portion of the base asset management fee. In the second year governed by such arrangement the origination target was met and no such refund was due or paid from LDI to LMREC IV. This rebate is in addition to any investor specific rebate described in the prior paragraph.

In the case of LMREC V, LDI structured the fund with a base asset management fee that is calculated on the average of discounted fees to which various Investors were eligible. The non-discounted rate was set at 1.5% of committed capital for the first 3 years and 1.5% of invested capital thereafter. Investors qualified under one or more criteria for a discounted management fee rate. The criteria for a discount included, commitment size, date and investment history with LIM or LDI. The blended discounted rate for all investors is what the Fund pays to LDI (and such fee adjusts on a quarterly basis as new investors commit to the Fund). The estimated economic benefit of the discount was conveyed to the specific eligible investor with a discounted share purchase price applicable to the first investment in LMREC V of such investor.

2. Acquisition and Disposition Fees

Through December 31, 2023 none of the REITs have been charged acquisition or disposition fees by LDI, nor does any existing fund documentation provide for any such fee or expense.

3. Incentive Compensation

LDI may receive a distribution of a portion of the REIT income by the REITs as an incentive fee, which fee is deducted from the Fund's distributable proceeds. The incentive compensation is dependent on Fund performance and represents a percentage of the amount of profits otherwise distributable to each investor. Each Fund has established a distribution waterfall describing how distributions will be paid to the underlying investors and LDI. Investors typically receive a preferred return on their investment prior to the distribution of any incentive compensation paid to LDI. The preferred return is generally 7-8% per annum depending on market conditions at the time the investment was structured.

LDI may receive a performance fee prior to repayment in full of investor capital. If the Fund performance subsequently declines, then LDI will be required to rebate an amount up to the full amount paid to LDI in incentive compensation (a "clawback").

The distribution waterfalls are further described in the Governing Documents for each Fund. As of December 31, 2023 no fund has accrued an obligation to pay incentive fees to LDI, and any incentive fee previously paid has been rebated back to the fund.

Performance-based compensation received by LDI is structured to comply with Rule 205-3 under the Investment Advisers Act of 1940 ("Advisers Act"), to the extent applicable.

4. Liquidity

LDI generally does not reinvest capital of a Fund in new assets (i.e. new originations/acquisitions) other than during the investment period for such Fund. However, distributable net proceeds may be reinvested in existing investments of the Funds after termination of the investment period, including investments in the Fund's financing subsidiaries (during such subsidiaries' revolving investment period, or as

necessary to achieve compliance with the financing agreements that govern the activity of such subsidiary) and used for operating expenses of the Funds.

5. Organizational and Offering Fees and Expenses

The Funds will typically bear all organizational and offering fees and expenses incurred in their formation, in many cases limited by a percentage of committed capital and/or a specified amount, as disclosed in the Funds' Governing Documents. The Funds pay all third-party costs and expenses relating to the Fund business, including costs of originating, evaluating, acquiring, owning, hedging, financing, operating, reviewing, managing and disposing of any Fund asset or potential Fund asset (and shall reimburse LDI for any such costs and expenses paid or incurred by LDI and its affiliated persons), including, without limitation, fees and expenses of legal counsel, accountants, appraisers, investment bankers and other third party consultants and advisors; premiums for insurance protecting the Fund, the General Partner, Investor Committee, and the Advisory Committee; travel expenses of LDI and its affiliates and the members of the Advisory Board; any out-of-pocket expenses incurred by LDI and its affiliates in connection with management of the Fund; marketing of the Fund to potential borrowers, or sponsors of investments made or to be made by the Fund, including general research expenses as well as any costs and expenses incurred in connection with any evaluation of an asset for origination or purchase by the Fund whether or not actually originated or purchased.

Please see Item 12 for a description of LDI's trading practices.

6. Travel Expenses

The Funds will be responsible for the cost of travel expenses related to Fund business. Such expenses include LDI and its affiliated persons' first, business or economy class airfare for domestic or international travel.

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

Please see the section titled "Incentive Compensation" under Item 3 above for a complete description of the performance-based fees allocable to the Funds' Asset Manager. LDI is entitled to receive a portion of the distribution of income and proceeds as incentive compensation as set forth in each Fund's Governing Documents. Please see section 12 for a description of investment opportunity allocation.

The existence of performance-based compensation has the potential to create an incentive for LDI to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although LDI generally considers performance-based compensation to better align its interests with those of its investors.

Item 7 - Types of Clients

LDI provides discretionary investment advisory services to the Funds, which are its clients. Investors in the Funds include, but are not limited to, pension plans, endowments, corporate and business entities, foundations, trusts, and high net worth individuals, as well as pooled funds sponsored by LaSalle, that are comprised of employees. The Funds have minimum capital commitments for investors, as specified in the Governing Documents for each respective Fund, and which are negotiable by LDI. Each investor is required to meet certain suitability qualifications; examples may include being an “accredited investor” and “qualified client” or a “qualified purchaser” within the meaning set forth under the federal securities laws.

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

Investment Analysis

LDI identifies potential investment opportunities for the Funds through a variety of sources and bases a portion of its investment analysis on information obtained from working with industry professionals such as industry consultants, property management and leasing professionals, other investors, brokers, and other professionals within the real estate sector.

The screening process for potential investments involves several steps, which vary depending on the type of asset being proposed for origination/acquisition and the originating or acquiring Fund. In all cases a written Investment Committee Memo is prepared describing the due diligence conducted on the proposed origination/acquisition, and this summary is provided to the Investment Committee. The Investment Committee members for each Investment Committee are affiliated with LDI.

The REIT's Investment Committee will meet on a periodic basis but also whenever requested with at least a 48-hour notice to review prospective investments, existing holdings, potential dispositions, material events regarding existing investments, and to assess real estate market activities. Members of the Investment Committee will vote, and majority approval of all members entitled to vote (i.e., exclusive of a member that is recused from participating), is required for the origination or acquisition of an asset for any of the Funds.

The relevant Investment Committee reviews and makes all the investment decisions for the Fund for which it is responsible. As part of this process, and as required, each Investment Committee reviews the allocation of limited investment opportunities among the Funds. While at no point during 2023, did the Funds have overlapping investment periods, in prior periods there have been short term overlaps. The allocation of an opportunity during the overlapping investment periods in prior years of LMREC III and LMREC IV was handled as described in the LMREC IV PPM (all investments were

allocated to LMREC III so long as LMREC III had capacity for the entire investment in question at the time the application was processed).

LDI also provides limited advice with respect to the origination of short-term floating rate first mortgages secured by commercial real estate (“IPT Debt Investments”) to JLL IPT. LDI’s role with respect to IPT Debt Investments is to recommend opportunities, and to conduct due diligence prior to funding, assist with the closing process, as well as monitoring performance of the underlying collateral post funding. The IPT Debt Investment mandate is discretionary and JLL IPT retains approval rights on each proposed loan.

Investment Strategies

LDI provides advice to Funds that invest in floating rate commercial real estate debt investments. The Funds generally invest in first mortgage debt of single purpose limited partnerships and limited liability companies that were structured for the purpose of holding the underlying real estate assets which serves as collateral (i.e., the physical property) for the debt instrument in which the Fund invested. The Funds may also invest in debt participations. The Funds have not made, and do not intend to make investments in any asset in which any member of the Investment Committee, or in which JLL has a direct or indirect investment. The Funds do not acquire real estate assets (as opposed to real estate related debt) except via foreclosure, deed in lieu of foreclosure or similar arrangement.

The IPT Debt Investments are similar to the REIT Investments described above with the exception that JLL IPT seeks significantly larger transactions. Absent the distinction in size, the similarity in the target loan pool could create a conflict with respect to the allocation of opportunities. However as of the date of the JLL IPT mandate the only managed REIT making investments was LMREC V. LMREC V currently has a small equity base (less than 100 million) and until such time as it has committed equity in excess of \$200 million its diversification criteria limit it to loans with a gross par amount less than \$20 million. LMREC V has not passed on any loan that had a gross par amount less than \$20 million that JLL IPT funded. The smallest loan originated for JLL IPT through February 29, 2024 was \$27 million. LMREC V has priority on any deal that fits its criteria, and any transaction that fits the LMREC V criteria would only be shown to JLL IPT if LMREC V elected not to proceed (for diversification or capacity reasons).

Risk of Loss

Investors should refer to the risks described in the Private Placement Memorandum for each respective Fund for a full description of risks associated with an investment in such Fund.

Investments in the Funds involve a significant degree of risk and are illiquid. Similarly, the investments made by the Funds involve significant risks and are also illiquid. A Fund investor should not invest in a Fund unless the investor is able to withstand a total loss of

its investment in the Fund. There is no assurance that any Fund will achieve its investment objective.

Investments in the Private Funds are Illiquid

There is a limited private market for secondary investments in the Funds. Investors in our closed-end Funds have no redemption rights and limited transfer rights. Investors in the proposed open-end Fund may have limited rights to redeem as described in such funds' Governing Documents.

Leverage

LDI will cause the Funds to use leverage from time to time, in the form of debt financing, including issuing securitized debt financing, such as Collateralized Loan Obligations. The proceeds of the leverage will be used to originate, acquire, and refinance investments. Each Fund has established a limit regarding the amount of leverage that can be used as described in the Governing Documents for such Fund. Debt service requirements may deplete or restrict a Fund's otherwise available cash flows. As a result of the use of leverage, relatively small changes in the overall value of Fund investments may have a magnified impact on the value of the Fund. If a Fund investment was unable to generate sufficient cash flow to meet interest and principal payments on the indebtedness incurred by the Fund, or to refinance such debt at maturity, the value of such investment, or the portfolio which includes such investment, or the Fund itself could be significantly reduced or eliminated. In addition, even if the assets of the Fund perform the terms of any debt financing may restrict the amount of funds available for distribution to Fund investors.

LDI does not now procure debt for JLL IPT, and JLL IPT has not pledged any of the IPT Debt Investments as security for a borrowing. If at any future date JLL IPT was to decide to leverage the portfolio, the role that LDI would play in arranging any such debt would be further defined.

Interest Rate Risk

While, except for a de minimis portion, all the financial assets of the REITs are invested in floating rate obligations, these entities may still be exposed to interest rate risk. Among other risks derived from movements in interest rates, the value of the underlying collateral and associated cash flows may not increase or may not increase at the same rate as the loan index rate on the loan in which the REIT invested. As a result, the REIT may suffer increased credit losses.

LDI may participate in interest rate hedging strategies on behalf of the REITs. The REITs may enter into forward contracts, future contracts, swaps, caps, and collars. During the Period from March 2009 through March 2024 none of the REITs managed by LDI have participated in any interest rate hedging strategy other than: 1) the purchase of interest rate caps on loans originated by the REITs. However, there can be no assurance that in a future period the REITs would not engage in a broader range of interest rate hedging strategies to the extent permitted by their Governing Documents. Investing in these

instruments can increase the risk of loss to the REITs. Generally, only a small amount of the full value of these instruments (the “notional amount”) is necessary to enter into these transactions. As such, a change in the value of the instrument will magnify the amount of gains and losses experienced. Such hedging arrangements may also cause the REITs to be exposed to the creditworthiness of the selected hedging provider(s) from time to time. If the hedging arrangements are terminated at any time in accordance with their terms, the REIT may be liable to make a payment to or receive a payment from the hedging provider in connection with such termination reflecting the market value of the transactions comprising such hedging arrangements. If a REIT is required to make such a payment, it may be required to liquidate investments to do so.

Diversification

While LDI intends to originate, or acquire, and manage diversified portfolios of commercial real estate debt investments on behalf of the Funds, it may not be able to achieve that goal. Any Fund may end up participating in a limited number of investments and consequently, the aggregate return of such Fund may be materially and adversely affected by the unfavorable performance of a single investment.

Business Plan

The Funds managed by LDI focus on investments in assets that have underperformed their peer group. The strategy of the borrowers in the case of the REITS is generally to invest additional capital in these assets in an attempt to improve asset performance to the identified peer group. There can be no assurance that LDI and/or the borrower has identified the correct peer group and that such capital investment will result in improved performance. If the additional capital investment fails to improve the asset performance, it is likely to result in a loss on the investment.

Lack of Control

The REITs make loans rather than equity investments. There are advantages to loans as an investment, but there are also disadvantages. As a lender the REITs do not have the ability to directly control the actions of the borrower(s). A borrower may select third party services, or servicers like property managers and contactors that are less than optimal, and/or may make decisions with respect to the property tenants or condition that would be different from decisions that LDI or an investor in the REITs would have made, and these decisions may result in significant under performance, loss and/or default.

Asset Values and Real Estate Market Cyclicity

Real estate markets demonstrated a significant degree of volatility and cyclicity in the Global Financial Crises. Current valuations of in place income are high relative to historic averages. If there is a reversion to the historic mean valuation of such cashflows during the holding period of any loan, the value of the underlying collateral may fall substantially, and the Fund may incur a substantial loss on investment whether or not the business plan was successfully implemented.

Litigation

In the ordinary course of its business, lenders to and owners of real estate may be subject to litigation from time to time. The outcome of such proceedings may adversely affect the value of an investment and may continue without resolution for long periods of time.

Political Risk

A significant proportion of the loans originated by both REIT's are collateralized by multifamily residential properties. The cashflow needed to pay these loans is derived from rental receipts. In a series of separate actions in recent years, in light of the significant health risks posed to individuals and the economy, various political and regulatory bodies took actions to limit the ability of the Fund's borrowers to evict tenants that failed to pay rent timely. While many of these restrictions have lapsed, there can be no assurance that they will not be reimposed, and/or similar restrictions implemented for various political and regulatory purposes. If imposed or continued these actions by state and local regulatory bodies may increase the probability that the Fund's borrowers will default as a result of reduced cashflow, and there can be no assurance that the Fund's borrowers will be able to take actions to mitigate these restrictions.

COVID 19 and Real Estate Usage

COVID 19 restrictions on transport and gathering have changed the usage, and potentially the value of various types of real estate collateral. In particular Hospitality, Retail and Office properties may be at risk for loss as a result of the increased pace of obsolescence associated with behavior changes brought on by COVID 19.

Cybersecurity Risk

The Funds, their portfolio investments, their 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 their portfolio investments, despite the efforts of service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and their portfolio investments. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to the systems of the Funds, their portfolio investments, their service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of such systems to disclose sensitive information to gain access to the confidential data. A successful penetration or circumvention of the security of such systems could result in the loss or theft of data or funds, the inability to access electronic systems, 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 the Funds or their portfolio investments to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

Reliance on Key Employees

LDI depends on the efforts and expertise of its senior management and personnel. The loss of the expertise provided by said person could have a material adverse effect on the firm, both from a human resources perspective and from a Client perspective. LDI employs experienced individuals who manage its operations, and its success depends on, among other things, its ability to retain these individuals and attract additional qualified personnel to the firm.

Item 9 – Disciplinary Information

LDI and its employees have not been involved in any legal or disciplinary events in the past 10 years that LDI believes would be material to a client's evaluation of LDI's advisory business or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

Neither LDI nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer. Neither LDI nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing. See the section titled "Advisory Business" above for a description of LDI's role in providing advisory services to the Funds.

Employees of LDI may have family members and/or friends that are employed with, or are otherwise affiliated with, entities that provide services or engage in business transactions with LDI and/or the Funds. Examples of such relationships may include entities that are the Fund's investors, borrowers, joint venture partners, operating partners, real estate or securities brokers, lenders, and/or tenants in buildings owned by the Funds. Employees are required to report any such relationships to the Compliance Department, which monitors such relationships and any related conflicts.

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

Code of Ethics

LDI has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Advisers Act. The Code of Ethics is documented in an appendix to the Compliance Manual

Rule 204A-1 requires LDI to adopt a Code of Ethics that sets forth a standard of business conduct and compliance with federal securities laws by all our employees. Our Code of Ethics contains policies and procedures that require pre-clearance before the purchase of certain securities and prompt internal reporting of any violations of the Code of Ethics.

LDI will provide a copy of our Code of Ethics to clients or prospective clients, upon request. Please contact Robin Freeman, Jack Powell, or Wallace (“Chip”) Sellers, Jr. by telephone at (310) 234-2100 should you have any questions concerning our Code of Ethics or wish to obtain a copy.

Participation or Interest in Client Transactions

LDI’s senior management, including Glenn Sonnenberg, Craig Oram and Chip Sellers as well as parties related to them have made personal investments in the Funds alongside other investors. As these investments are made on the same terms as investments by unaffiliated third parties, LDI does not perceive that this creates a conflict of interest. As previously described, LDI receives incentive compensation from the Funds.

Employees of LDI may make personal investments in any of the Funds managed by LDI or any other real estate related securities (other than debt securities, if any, issued by any of the Funds, or interests in assets (whether debt or equity) that serve as collateral for the Fund’s investments) subject to the restrictions of LDI’s Code of Ethics, as described above. In addition, certain employees of LIM have been provided with the opportunity to co-invest in the Funds via a leveraged partnership structure that may increase their returns and risk vis a vis the returns and risk available to third parties’ directly investing in the Funds.

Principal Transactions

LDI does not sell securities from the firm or its affiliates to the Funds.

Cross Transactions

LDI generally does not permit the Funds to engage in any cross transactions, and there have not been any such transactions in the last 10 years. If LDI were to do so, LDI would first consider and determine that the transaction is in the best interests of both participating Funds and consistent with disclosed policies in each Fund’s constituent documents. LDI would then obtain consent from the Advisory Board of both Funds to the extent deemed necessary or appropriate.

Transactions with Limited Partners and Affiliates

The Funds have in the past, and may in the future, enter into transactions with a third-party shareholder and/or its affiliates (whether as a buyer, seller, borrower, lessor, lessee, manager, broker, agent, lender, trustee, provider of services, or otherwise). Neither the

Fund nor any partner shall have, because of this relationship, any rights in or to any income or profits derived from such transaction or relationship.

Item 12 - Brokerage Practices

Client Referrals

Prior to the acquisition by JLL Co-Investment the REITs managed by LDI engaged placement agents from time to time. As of the current date such role shall be fulfilled by an affiliate of JLL Co-investment, LaSalle Investment Management Distributors, LLC ("LIMD"). However, from time-to-time LIMD or LDI may involve third parties if helpful or appropriate. During the marketing of LMREC V, LDI has engaged Pickwick Capital Partners to assist in marketing to certain pre-specified potential investors in LMREC V.

LDI previously engaged Wren Capital to act as a placement agent with respect to certain (but not all) investors in LMREC III, and LMREC IV. LDI also previously engaged Cakebread Consulting, a former affiliate of First Tryon Securities to act as a placement agent on certain LMREC III and LMREC IV investors. These entities are typically paid from .5% to 1.5% of the invested capital that they source for the fund managed by LDI. LDI's engagement of Wren contains certain provisions that are applicable to certain investors in LMREC V (investors sourced by Wren or otherwise contacted by Wren in the marketing of LMREC IV).

Best Execution

When selecting a real estate broker in cases where a Fund may hold a real estate asset (as a result of a foreclosure, deed in lieu or another mortgage settlement). LDI will consider numerous factors and criteria with the overall objective of selecting a broker who will efficiently and effectively market the asset for sale and maximize returns for the Funds. Examples of the criteria used include the following: the broker was helpful or instrumental during the loan origination and/or consulting process during the asset management phase; the broker represented the borrower during the purchase of the asset and is already familiar with the property; access to decision makers for a likely capital source; ability to run the bidding process to maximize the return on investment to the Fund; knowledge and experience with the local market, type of asset and/or structure; complexity and size of the transaction; past performance in representing LDI or others on similar deals; presence of a strong local investment sales team assigned to the engagement; predisposition to use a particular broker; the broker's efficiency and professionalism in the preparation and distribution of marketing materials relevant to the engagement; overall allocation of business to a variety of qualified brokers that can meet LDI's needs; and the fee structure for the engagement.

Fund transactions in publicly traded commercial real estate securities are anticipated to be rare since it is not the objective of the Funds to engage in these transactions. However, in the unusual circumstances when LDI is a participant in such securities transaction, LDI will select broker-dealers based on its fiduciary duty to seek best execution. Numerous

factors and criteria will be used when evaluating brokers. Examples of the criteria used include the following: overall price; availability and liquidity of a security (e.g. for a fixed income security, the use of a broker-dealer that makes a market in a particular issuer); trading expertise; reliability; maintaining confidentiality; and reputation. During the 3-year period ending on December 31, 2023 no such securities were acquired and the Funds did not engage any broker dealer to facilitate such a transaction.

LDI is responsible for the placement of Fund transactions and the negotiation of any commissions paid on such transactions. Securities, if purchased, would be expected to be purchased from an underwriter or market maker for the securities. Purchases of securities through brokers involve a commission to the broker. Purchases of securities from dealers serving as market makers include the spread between the bid and the asked price. The Funds are responsible for paying any commissions or other fees regarding any security transactions effected on behalf of the respective Fund. During the 3-year period ending December 31, 2023 no securities were purchased from any broker or underwriter.

When participating in interest rate hedging transactions, LDI and the Funds use a third-party vendor to provide quotes from multiple counterparties. While LDI requires borrowers to provide such caps as additional collateral to the REIT Funds, the caps, and auction house fee are paid for with borrower funds, and any payment received from ownership of the cap serves to offset borrower interest payment obligations otherwise due to the Fund. These transactions are executed with the counterparty with the intent of seeking “best execution” for the borrower (subject to the Fund’s credit criteria) who is responsible for the cost. Counterparties are selected on the basis of credit rating and price. LDI carefully selects and monitors counterparties on interest rate caps pledged to secure its loans. These hedging agreements contain terms that require counterparties that are downgraded below a threshold by a nationally recognized statistical rating agency to post collateral or transfer their obligations to an investment grade counterparty. Nevertheless, there can be no guarantee that such counterparties will not experience financial difficulties or otherwise fail, and/or be unable to transfer or otherwise secure their hedging obligations. If the Interest rate cap provider were to fail to make required payments under the cap, the underlying borrower may be unable to make the required interest payments under the loan and the Fund may suffer an enhanced default rate and/or loss severity on the associated loans.

The Funds typically deduct the costs associated with expenses associated with hedging transactions from any advance a borrower would otherwise be eligible for under its Fund loan. While the use of a third-party vendor to obtain quotes and negotiate transactions will increase the cost of the hedging transaction more than the amount that the borrower might be able to achieve directly, these services, along with other account related or accounting assistance services, are considered by LDI to be a valuable service for the borrower and the Funds.

Research Reports

LDI receives real estate market data research from real estate brokers. LDI may also use the services of those real estate brokers to sell real estate investments for the Funds. LDI

does not have any formal or informal arrangements to compensate the brokers for the research that is provided. LDI may also receive real estate-related research and market data from third party service providers. Some examples of such third-party research providers include, but are not limited to, Real Estate Investment Services (REIS), Real Capital Analytics and Co-Star. The Funds will bear the expense for the research obtained from such third parties and these payments will be made in hard dollars.

Trade Aggregation

The Funds did not invest in publicly traded securities in the period ended December 31 2023, and it is not anticipated that such any public securities investment would meet any of the Fund's target investment criteria. If a Fund were to engage in a transaction in a publicly traded security, due to exclusivity provisions and the fact that LDI typically only invests the assets of a single Fund in any one investment, it generally would not be practicable to aggregate transactions with another Fund.

Allocation of Investment Opportunities

LDI recognizes its fiduciary duty to act in the best interests of each of the Funds. In unusual instances when LDI may be able to allocate investment opportunities to more than one Fund at a time, it will do so on the basis of an established policy that is communicated to all investors in the Funds involved. During 2023 LDI originated investment opportunities both for LMREC V and for JLL IPT. LMREC V had first call on any identified opportunity that met its investment criteria. During 2023 the investment criteria for LMREC V included a restriction on asset size to assure diversification within LMREC V given the current size of its capital commitments. Until such time as equity commitments in LMREC V exceed \$200 million, no single investment can exceed \$20 million. All loans originated in 2023 for JLL IPT were for amounts in excess of such investment limit set by LMREC V. During the prior 3 year period of time ending on December 31, 2022, there were no allocations as only one fund was originating assets at any particular point in time. In no circumstances will a single loan be allocated between the two Funds (no taxable mortgage pools).

Trade Errors

Given the private nature of the Funds investment securities, it is not anticipated that there will be any trade errors. However, if the Funds incur a trade error solely as a result of LDI's gross negligence, willful misconduct, or fraud, such errors are to be corrected by LDI as soon as practicable and in a manner, such that the Fund incurs no loss. Trade errors that result, other than by breach of care stated above, will be borne by the relevant Fund. To the extent that any gains arise from trading errors and as such are received by the Fund, then such gains will be retained by the relevant Fund.

Item 13 - Review of Accounts

Review of Fund Portfolios

The accounts managed by LDI are the Funds.

LDI's Origination Group meets on a periodic basis to discuss new investment opportunities that should be presented to the relevant Fund Investment Committee. The Fund Investment Committee meets whenever needed to review and approve new investment opportunities.

The investment positions and assets within the Funds' portfolios are monitored and reviewed by personnel of LDI's Asset Management group monthly. Each calendar quarter, a quarterly asset review meeting takes place, and a quarterly asset report is produced in which each of the Fund's respective investments is presented to LDI's senior management, and investors in the relevant Fund for review of credit conditions, performance updates, and business plan.

Fund Reporting

LDI provides investors with quarterly Fund reports as described in the prior paragraph, in either electronic or written format generally within 90 days after the end of each calendar quarter. The reports contain the following information: (i) a schedule and summary description of each Fund investment; (ii) a description of the performance of each asset; (iii) unaudited financial statements including a balance sheet, income statement, and, (iv) a transmittal letter describing performance highlights. Investors also have on-line access to this information through the REALERA System. Investors periodically receive additional reporting including a statement to show cash flows from their investment in a fund and LDI distributes special reports to investors, upon specific request. The special reporting varies by the format in which an investor would prefer to receive our information (e.g., using a specific template or questionnaire).

Investors in the Funds also receive copies of the annual audited financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP) approximately 120 days following fiscal year end. These statements include the following information; (i) auditor's opinion; (ii) balance sheet; (iii) statement of income or loss; (iv) statement of partners' capital (or equity); (v) statement of cash flows; and (vi) notes to the financial statements.

Advisory Board

Each Fund also has an Advisory Board. The Advisory Board is set up to review; (i) potential conflicts of interest between LDI and any Fund or as otherwise required by the documents governing each Fund; (ii) the waiver of a Fund's investment limitations; (iv) waiver of a Fund's leverage limitations; (v) approval of an extension of the term of the Fund; (vi) approval of changes to the Fund's accounting policies; and (vii) approval of

changes to the valuation policy of the Fund. During 2023 no such waivers or approvals were sought or granted. No voting member of the Advisory Board is or may be affiliated with LDI.

Item 14 - Client Referrals and Other Compensation

Additional Compensation

Employees of LDI may obtain discounted rates while staying at properties (i.e., hotels or resorts) financed or owned by the Funds, while traveling on personal time. Employees may accept the “Friends and Family” rates offered by the properties, subject to availability. Employees are prohibited from requesting and/or accepting accommodations by Fund-financed or owned properties that are free of charge to the employee while traveling on personal time.

Client Referrals

The fees and expenses of any third-party placement agent if engaged and/or solicitors will be paid by the Fund in question and will generally be deducted (as described in the relevant offering memorandum) from management fees or formation cost reimbursement otherwise payable to LDI.

Business Entertainment

LDI's Sponsorship of and Participation in Events

In order to provide the quality of services that the Funds and investors expect, it is necessary for LDI to establish, maintain and enhance relationships with Fund investors and prospective Fund investors, as well as various professionals in the real estate investment and management business, such as attorneys, consultants, investment brokers, investment bankers, leasing agents and tenant representatives, lenders, developers, equity fund sponsors, venture and operating partners and other service providers and investment professionals (together, the “Real Estate Industry”). Establishing meaningful and long-term relationships in these and other areas within the Real Estate Industry are critical to LDI in identifying diverse strategies and sourcing investment opportunities for the Funds, as well as effectively underwriting, financing, operating, managing and disposing of Fund assets. LDI and the Real Estate Industry value important and long-standing relationships, and as such, LDI and its employees may invite those within, and maybe invited to participate in activities sponsored by, the Real Estate Industry that could be considered lavish entertainment, such as sporting events, concerts, golf and other outdoor outings and other recreational activities (collectively, “Events”). LDI recognizes that many in the Real Estate Industry similarly put efforts forth to establish, maintain and enhance their relationships with organizations competitive to LDI.

The meals, travel, and accommodations for many, but not all, events may also be paid by LDI or such Real Estate Industry third parties including accommodations at upscale locations. In addition, from time-to-time properties owned by the Funds may also sponsor Events, which employees of LDI may attend to generate marketing opportunities for renting / leasing available space in such properties or otherwise. The primary benefits LDI and the Funds receive from LDI's sponsorship and participation in these Events is to originate and further strengthen our relationships within the Real Estate Industry. LDI believes that working to have such relationships is important towards ensuring that LDI is provided with the opportunity to capitalize upon active sources of deal flow and investment opportunities, as well as to receive critical and reliable services and information. While LDI believes employee sponsorship and participation in these Events is beneficial to the Funds for the reasons described above, LDI's subsequent selection and retention of such Real Estate Industry service providers could be viewed as a form of reimbursement for attending such Events.

LDI recognizes and acknowledges our fiduciary duty to the Funds. As such, no such Events or activities sponsored or received by LDI are permitted to influence our due diligence process in the originating, acquiring, underwriting, financing, managing, leasing, and selling of real estate investments or fulfilling our fiduciary duty to the Funds. LDI requires its employees to report their planned sponsorship of and participation in Events to its President or Chief Compliance Officer ("CCO") for review. They monitor such reporting and alert members of the Investment Committee to any concerns related to the frequency, lavishness or benefit of the sponsorship of or participation in such Events. At such time, the Investment Committee will determine on a case-by-case basis whether an employee's sponsorship of or participation in an Event is warranted and the expenses may be paid by third parties or participation is warranted but the expenses must be paid by LDI or the participating employee, or the sponsorship of or participation in the Event is not warranted.

Property Incentive Programs

LDI and/or entities hired by LDI (such as property management or leasing service providers) will periodically sponsor incentive programs for unaffiliated third parties, primarily for real estate brokers and leasing agents. The programs are designed to incentivize the brokers and/or leasing agents to generate interest in obtaining tenants to occupy vacant space in properties owned by the Funds. The incentive programs are designed to benefit the Funds by securing leases as quickly as possible to generate revenue at the properties owned by the Funds. The incentive programs may include items such as meals, gifts, gift cards, vacation accommodations, and other items. The incentive programs are paid for as part of the marketing budget for each property. Since these expenses are paid by the individual property, the Funds, if the property owner, could bear the cost of these expenses. As no Fund has foreclosed on real estate or otherwise converted a loan into REO in the 3 years ending December 31, 2023 no such expenses have been incurred.

Item 15 - Custody

LDI serves as a Fund's Asset Manager with the obligation to recommend and supply personnel to staff the REIT's Board of Directors and executive officers and as a result it is considered have custody of client assets. The Funds are audited annually by an independent Public Company Accounting Oversight Board ("PCAOB") registered auditing firm and the audited financial statements, which are prepared in accordance with generally accepted accounting principles, are distributed to the relevant Fund and investors in such Fund within 120 days of the Funds' fiscal year end. Fund investors should carefully review the Funds' audited financial statements.

LDI does not, however, accept physical custody of investor assets, capital contributions are to be sent or wired directly to the relevant Fund's qualified custodial account. LDI receives monthly statements from each of its qualified custodians on behalf of the Funds. For more information about LDI qualified custodians, please see Form ADV Part 1, Schedule D, 7.B.(1).

Item 16 - Investment Discretion

LDI has investment discretion over the Private Fund REITs managed and advised by LDI. Each Fund's offering documents generally set forth certain limitations with respect to the management of the Fund and the activities of LDI, among others. To become an investor in a Fund, an investor must execute, among other documents, a subscription agreement with such Fund. Fund investors may enter into side letter agreements with LDI, as described under Item 4 above. These agreements may have the effect of limiting certain of LDI's activities including its investment discretion.

Item 17 - Voting Client Securities

Currently, LDI does not have proxy voting authority under any of its sponsored Fund investment agreements. If in the future the practices mentioned become applicable to LDI, LDI will in accordance with its fiduciary duty to the Funds and Rule 206(4)-6 of the Investment Advisers Act adopt and implement written policies and procedures governing the voting of Fund portfolio securities.

Item 18 - Financial Information

LDI does not require prepayment of more than \$1,200 in fees per client six months or more in advance and is not aware of any financial condition that it believes is expected to affect its ability to meet contractual commitments to the Funds.