



Item 1 - Cover Page

# CBRE Investment Management Infrastructure Inc.

## CBRE IM Capital Brochure (Part 2A of Form ADV)

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*This brochure provides information about the qualifications and business practices of CBRE Investment Management Infrastructure Inc. (“**CBRE IM**”). If you have any questions about the contents of this brochure, please contact us at 416-861-0700 or at [privateinfra@cbreim.com](mailto:privateinfra@cbreim.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority. CBRE IM is an investment adviser registered with the SEC. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you should determine to hire or retain an investment adviser.*

*Additional information about CBRE IM is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by the Central Registration Depository (“**CRD**”) Number. CBRE IM’s CRD number is 158495.*

## **Item 2 - Material Changes**

This brochure is an update to the prior brochure of CBRE Investment Management Infrastructure Inc. (“**CBRE IM**”) dated April 3, 2023. This brochure contains certain updates as follows:

- Item 5 to further describe fees and compensation arrangements applicable to CBRE IM’s advisory services;
- Item 8 to add and update certain risk disclosure; and
- Item 11 to further describe conflicts associated with CBRE IM’s advisory services.

In addition, this brochure contains changes throughout in order to update and clarify the description of CBRE IM’s business practices, risks, conflicts of interest, as well as to respond to evolving industry best practices.

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## Item 4 -Advisory Business

CBRE Investment Management Infrastructure Inc. (“**CBRE IM**” or the “**Firm**”) is an infrastructure solutions provider. We seek to create long-term value for clients by accessing and managing high-quality investment opportunities and building comprehensive infrastructure portfolios. Today, our dedicated team of 74 manage and advise on over US\$10 billion of investment capital<sup>1</sup> for institutional investors across North America, Europe, Asia and Australia.

CBRE IM operates as a separate business unit within CBRE Group, Inc.’s (“**CBRE**,” NYSE: CBRE) independently operated investment management subsidiary, CBRE Investment Management LLC (“**CBRE IM Parent**”). CBRE IM Parent sponsors real asset investment programs across the risk/return spectrum in the Americas, Europe and Asia for over 670 institutional investors worldwide.

CBRE IM Parent is the independently operated investment management division of CBRE. CBRE IM’s business is focused on providing customized private markets portfolio management services and investment solutions (including private markets monitoring and reporting services) to institutional clients through its global infrastructure and private equity investment programs. CBRE IM’s private markets portfolio management services are being provided through discretionary or non-discretionary advisory services (“**Advisory Clients**”) or separate managed account (“**SMA**”) mandates. In addition, CBRE IM sponsors and advises certain pooled investment vehicle clients, including, but not limited to, the CBRE Global Infrastructure Fund (“**CGIF**”) (all such pooled investment vehicles, including CGIF, “**Funds**”). Advisory Clients, Funds and SMAs are referred to collectively herein as “**Clients**.” CBRE IM provides these services to each Client in accordance with a separate investment and advisory, investment management or portfolio management agreements (each, an “**Advisory Agreement**”).

As of December 31, 2023, CBRE IM had regulatory assets under management of \$8,569,063,767 managed on a discretionary basis and \$0 managed on a non-discretionary basis.

CBRE IM does not participate in wrap fee programs.

## Item 5 - Fees and Compensation

The fees being charged to CBRE IM clients are based on the scope of the private market engagement and services provided in each mandate. CBRE IM does not have a set fee schedule. Fees are established and disclosed in each Client’s advisory agreement.

While a Fund or an SMA will typically be directly responsible for most fees and expenses associated with investments, consistent with the organizational or offering documents of a Fund, SMA or other Client, any Advisory Agreement and/or side letter agreements negotiated with investors in a Fund or SMA (such documents, collectively, the “**Organizational Documents**”) of

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<sup>1</sup> As of December 31, 2022, assets under management (“**AUM**”) refers to the fair market value of assets with respect to which CBRE IM provides oversight, investment management services and other advice and which generally consists of investments in infrastructure assets, operating companies and funds and private equity operating companies and funds. This AUM is intended principally to reflect the extent of CBRE IM’s presence in the global infrastructure and private equity markets. CBRE IM’s calculation of AUM may differ from the calculations of other asset managers and which differs from the calculation of regulatory AUM.

a Fund or SMA, a Fund or SMA typically bears any out-of-pocket expenses that are incurred by CBRE IM in connection with the services provided to the Fund or SMA. Details about such fees and expenses are contained in the Organizational Documents of a Fund or SMA. Further details about certain common fees and expenses are set forth below.

Fees may be billed on a quarterly basis in advance or in arrears depending on the terms of the applicable Organizational Documents plus any direct expenses incurred in performing services. Upon termination of an Advisory Agreement, Management Fees that have been prepaid are generally returned on a prorated basis.

### **Management Fees**

As compensation for investment supervisory services rendered to the SMAs and Funds, CBRE IM receives a management fee (the “**Management Fee**”), which may be calculated based on committed capital, invested capital, or net asset value, with respect to such SMA or Fund in accordance with its Organizational Documents. The precise amount of, and the manner and calculation of, the Management Fee for each SMA or Fund are set forth in such SMA’s or Fund’s Organizational Documents. The Management Fees and other fees and distributions described herein are generally subject to modification, waiver or reduction by CBRE IM in its sole discretion.

The Management Fees paid by a Fund or SMA will generally, subject to the Organizational Documents of such Fund or SMA, be reduced by a percentage of (1) the fees incurred by CBRE IM in connection with the organization of such Fund that exceed a limit specified in such Fund’s Organizational Documents and/or (2) certain Other Fees (as defined and described in more detail below under “*Other Fees*”) received by CBRE IM or its affiliates. The amount and manner of such reduction, if any, is set forth in the Organizational Documents of the applicable Fund.

Certain investors in the Funds that are employees, former employees, business associates and other “friends and family” of CBRE IM, its affiliates or their personnel (including any related entity established by any of the foregoing, such as trusts, charitable programs, endowments or related programs, family investment vehicles and other estate planning vehicles) (collectively, “**Adviser Investors**”) will not typically pay Management Fees or carried interest in connection with their investment in a Fund. Furthermore, CBRE IM has in the past and may, from time to time in the future establish certain investment vehicles through which Adviser Investors or other third parties may invest alongside one or more Clients in one or more investment opportunities, which generally do not pay Management Fees or carried interest. Notwithstanding that Adviser Investors will generally not pay Management Fees, Adviser Investors will generally pay for their pro rata share of certain Fund expenses, or the pro rata portion of such Adviser Investors’ expenses will be allocated to CBRE IM or the general partner of the applicable Fund.

### **Other Fees and Expense Reimbursement**

Transaction costs and professional fees (legal, consulting, valuation, and other advisory fees) related to individual investments are typically paid directly by Funds and SMAs through individual mandates. CBRE IM may, however, from time to time, prepay such fees and seek reimbursement from a Fund or portfolio company.

CBRE IM typically does not receive transaction fees, monitoring fees, directors' fees, advisory fees, organization and financing fees, operational fees, commitment fees, break-up fees (or other similar fees) ("**Other Fees**"). To the extent that CBRE IM does, however, receive Other Fees, such Other Fees typically reduce the Management Fee to the extent required by the Organizational Documents of a Client.

Any fees that accrue to the benefit of former partners, officers, principals, employees and other personnel of CBRE IM, as well as officers, principals, employees and other personnel of its affiliates and certain independent contractors (collectively, "**Adviser Personnel**") or other persons who are or become unaffiliated with CBRE IM (even if any such fee is earned during their tenure with CBRE IM) are not considered "Other Fees" and do not reduce the Management Fees or otherwise benefit the Clients or their investors. Similarly, any fees that accrue to the benefit of Adviser Personnel or other persons who are affiliated with CBRE IM prior to their association with CBRE IM (even if any fee received in kind is realized or otherwise converted to cash during their tenure with CBRE IM) are not considered "Other Fees" and do not reduce the Management Fees or otherwise benefit Clients or their investors.

To the extent an Other Fee is received and relates to more than one Client, such Other Fee is generally allocated among such Clients pro rata based on the capital commitments of such participating Clients (or for an unconsummated investment, the proposed commitments of the Clients), or on such other basis that CBRE IM determines to be fair and reasonable in its sole discretion.

## **Expenses**

### *Client Expenses*

An SMA or Fund will typically pay for any and all expenses, costs, and liabilities incurred by CBRE IM in the conduct of its business in accordance with the provisions of its Organizational Documents, such expenses including, but not limited to:

1. Organizational Expenses: expenses, costs, and liabilities incurred in the offering and sale of investment fund units; the organization of the SMA or Fund and its general partner; and the negotiation, execution and delivery of organizational documents of the SMA or Fund, including related legal and accounting fees and expenses, travel and travel-related expenses and filing fees (collectively, "**Organizational Expenses**").
2. Operating Expenses: expenses, costs, and liabilities incurred in the operation of the SMA or Fund, including, but not limited to, legal, administrative, research, accounting, audit, management and performance distributions (generally in the form of a carried interest) payable in respect of consulting, transaction, custodial, commission, tax, insurance, hedging, currency exchange, travel and travel-related expenses and other fees, expenses, costs and liabilities; any expenses and costs incurred as a result of a proposed transaction or investment by the SMA or Fund that is not consummated, to the extent not reimbursed by a third party (including any such expenses that would have been allocable to a co-investor); any expenses

and costs incurred in connection with litigation or other extraordinary events, directors' and officers' liability and other insurance and indemnity expenses; all taxes, interest, fees and other governmental or regulatory charges levied against or payable by the SMA or Fund, expenses incidental to the transfer, servicing and accounting for cash and securities, including all charges of depositories and custodians, and all expenses incurred in connection with any tax audit, investigation, settlement or review of any member of CBRE IM's tax returns; communications expenses and costs; certain expenses and costs of subsidiaries or other affiliated entities created to facilitate investment by an SMA or Fund which otherwise would be incurred in connection with any SMA or Fund investment; brokerage commissions, custodial expenses, appraisal fees and other investment fees, expenses and costs actually incurred in connection with SMA or Fund investments; all expenses and costs of liquidating any SMA or Fund entity; all accounting expenses in accordance with an SMA or Fund's organizational documents; all fees, expenses and costs (including interest payments) incurred in connection with any indebtedness, interim debt or equity financing, guarantees or other credit arrangements; all expenses and costs relating to a defaulting limited partner of a Fund; all expenses and costs relating to government filings required to be made for an SMA or Fund; all expenses and costs of depository services; all expenses and costs of any administrator of an SMA or Fund; the management fees; all expenses incurred in connection with any rebalancing among Fund entities; any other expenses as determined by CBRE IM acting reasonably and in good faith (collectively, "**Operating Expenses**").

In addition, a Fund or SMA may bear certain other expenses that CBRE IM determines to be in the best interest of the Fund or SMA, as applicable subject to any limitations set forth in such Fund or SMA's Organizational Documents.

Advisory Clients typically bear expenses, costs and liabilities associated with investments directly. To the extent a third-party out-of-pocket expense is incurred by CBRE IM in the course of providing advice to Advisory Clients, CBRE IM will typically be reimbursed by the relevant Advisory Client in accordance with the client's Organizational Documents.

#### *Portfolio Company Expense Reimbursements*

Expenses to be borne by an SMA or Fund that are incurred in connection with the structuring, negotiating, making, monitoring, sale, proposed sale or other disposition of direct investments are typically borne by the applicable portfolio company. While portfolio company expenses are typically paid directly by portfolio companies, to the extent CBRE IM pays for such expenses, a portfolio company may reimburse CBRE IM for expenses, including without limitation, travel and travel-related expenses, meals and entertainment expenses (including, as applicable, closing dinners and mementos, cars and meals, social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers), expenses relating to training programs, meetings or other events (whether or not such programs, meetings or events are attended by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses), indemnification expenses, certain legal expenses (including legal costs associated with reviewing financing documents and

agreements, whether on behalf of a portfolio company borrower or a lender) and similar out-of-pocket expenses, as well as consulting fees and other cash and non-cash compensation and expenses, incurred by CBRE IM in connection with its performance of services for such portfolio company. Such reimbursed expenses generally do not reduce the Management Fee and are not Other Fees. Because certain expenses are paid for by a Fund or SMA and/or its portfolio companies or, if incurred by CBRE IM, are reimbursed by a Fund or SMA and/or its portfolio companies, CBRE IM may not necessarily seek out the lowest cost options when incurring (or causing a Fund or SMA or its portfolio companies to incur) such expenses, which could result in lower returns to investors. As used throughout this brochure, “travel and travel-related” includes all travel expenses for the use of first class or business class travel, black car ground transportation, accommodations, meals, events and entertainment.

Expenses to be borne by an SMA or Fund that are incurred in connection with a fund investment will be governed by the organizational documents of the underlying investment funds in which a Fund or an SMA invests.

#### *Allocation of Expenses*

From time to time, CBRE IM will be required to decide whether certain fees, costs and expenses should be borne by CBRE IM, a Client, a portfolio company, co-investors and/or a third party (each, an “**Allocable Party**”) and if so, how such fees, costs and expenses should be allocated among the relevant Allocable Parties. Expenses, fees and costs that CBRE IM determines may be allocable to one or more SMA or Funds shall be allocated to such Fund(s) and/or SMAs in accordance with such Fund or SMA’s Organizational Documents and in accordance with CBRE IM’s expense allocation policy. To the extent not addressed in the Organizational Documents of a Fund or SMA, CBRE IM will make allocation determinations on a basis CBRE IM determines (in its good faith discretion) is fair and reasonable in accordance with its expense allocation policy, and notwithstanding its interest (if any) in the allocation (which such methodologies may include pro rata allocation based on the respective capital commitments of a Client, pro rata allocation based on the respective investment (or anticipated investment) of an Allocable Party in an investment, relative benefit received by an Allocable Party, or such other fair and equitable method as determined by CBRE IM in its sole discretion). CBRE IM will make any corrective allocations and take any mitigating steps if it determines in its sole discretion that such corrections are necessary or advisable in accordance with its expense allocation policy. Notwithstanding the foregoing, the portion of an expense allocated to a Client for a particular service will not always reflect the relative benefit derived by such Client from that service in any particular instance and Client may determine an allocation of expenses to be fair and equitable even where a Client is required to bear more than its proportional share of such fees or expenses relative to other Allocable Parties receiving the same service or participating in the same transaction. In addition, a Fund will bear more or less of a particular expense based on the methodology used, and a Fund will bear more or less of a particular expense based on the number of Allocable Parties Client selects to bear the expense in its initial allocation determination. When making expense allocation determinations, CBRE IM generally will allocate an expense to one or more Allocable Parties that are in existence and identified as such at the time the expense allocation determination is made. Accordingly, it can be expected that in certain cases Allocable Parties that were not in existence or otherwise identified as Allocable Parties at the time an expense is allocated will ultimately benefit from a particular expense, without having borne any portion of such expense, and in such



cases Client will not re-allocate the expense to each such future Allocable Party, and such future Allocable Part(ies) will benefit at the expense of other Allocable Parties, including the Clients. Any allocation methodology chosen by CBRE IM may involve inherent conflicts of interest and could result in a greater expense to the Funds, an SMA and portfolio companies than would be the case if such services were provided by third parties.

In the event CBRE IM is making any determination regarding whether an allocation is fair and equitable, CBRE IM will have discretion in such determination, and will typically evaluate facts and circumstances relevant to the particular allocation, which may include consideration of a number of factors that include, without limitation, some or all of the following: timing of the transaction, benefit to a Client to have co-investors participate, relative negotiating power, any contractual requirements or limitations, relevant disclosures to the Allocable Parties, whether costs and expenses are incurred for the benefit of one party, and whether costs and expenses are incurred in connection with regulatory, tax, accounting, or similar requirements applicable to a particular party. The application of such considerations is in certain circumstances expected to result in CBRE IM determining that it is fair and equitable for a Client bearing more than its pro rata portion of certain fees, costs and expenses (including Dead Deal Costs). CBRE IM's discretion in making such determination creates a potential conflict of interest as CBRE IM may have an incentive to allocate expenses to a particular Client over another Client or other co-investor.

There may be occasions when one Allocable Party (the “**Payor Allocable Party**”) pays an expense common to multiple Allocable Parties (the “**Allocated Parties**”) (e.g., legal expenses for a transaction in which multiple funds and/or co-investors participate). On such occasions, each Allocated Party will reimburse the Payor Allocable Party for its share of such expense, generally without interest, promptly after the payment is made by the Payor Allocable Party.

CBRE IM, from time to time, enters into arrangements with third-party advisers and consultants who provide services relating to deal-sourcing and investment opportunities, for which such advisers and consultants are paid compensation or other fees and/or are reimbursed for certain expenses. Any fees and expenses associated with such investment opportunities will be allocated to the applicable Client(s), consistent with the allocation process described above.

#### *Co-Investment Vehicle Fees, Expenses and Expense Allocation*

In certain cases, a co-investment vehicle, or other similar vehicle established to facilitate the investment by investors to invest alongside a Client may be formed in connection with the consummation of a transaction. Consistent with the Organizational Documents of a Client, in the event a co-investment vehicle is created to invest alongside a Client, certain expenses (including those related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle, as well as expenses incurred in connection with making and holding an investment) are generally borne by the investors in such co-investment vehicle on a pro rata basis by amount of capital commitment to the relevant co-investment. In addition, a co-investment vehicle will also generally bear its pro rata portion of expenses incurred in connection with the making of an investment.

Unless CBRE IM determines otherwise in its sole discretion, in instances where CBRE IM has not made a final allocation determination with respect to an investment, neither co-investment vehicles

nor co-investors will bear any expenses relating to a proposed but not consummated transaction (“**Dead Deal Costs**”). In such a case, Dead Deal Costs are born by CBRE IM. If, however, a final allocation has been made with respect to a co-investment by CBRE IM, Dead Deal Costs are typically borne by the co-investors in the relevant investment on a pro rata basis based on capital commitment to that investment.

Dead Deal Costs may include, among other things, legal, accounting, advisory, consulting or other third-party expenses and other third parties), any travel and travel-related expenses, all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment (including commitment fees), any break-up fees, reverse termination fees, topping, termination or other similar fees, costs of negotiating co-investment documentation (including non-disclosure agreements with counterparties), the costs from onboarding (i.e., KYC) investment entities with a financial institution, expenses incurred in connection with any tax audit, investigation, settlement or review of the Clients, extraordinary expenses such as litigation costs and judgments and other expenses, and any deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not consummated.

In addition, CBRE IM and its affiliates have discretion to (i) receive performance-based compensation, Management Fees or similar fees from co-investors and (ii) collect customary fees in connection with actual or contemplated investments that are the subject to co-investment arrangements.

### **Brokerage Fees**

Although CBRE IM does not generally utilize the services of broker-dealers to effect portfolio transactions for the Clients, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular Client, such Client will incur brokerage and other transaction costs.

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

In addition to client fees described above, CBRE IM may on certain mandates receive a performance-based allocation based on out-performing an agreed-upon hurdle rate. The performance-based allocation is typically in the form of carried interest.

Since CBRE IM may provide similar services to clients with different fee structures, it could be perceived that a performance-based compensation system may potentially create an incentive for CBRE IM to favor investment opportunities for clients who may pay carried interest over other clients. CBRE IM has addressed this potential conflict of interest by establishing a comprehensive Direct Allocation Policy and Indirect Allocation Policy (collectively, the “**Allocation Policy**”).

CBRE IM’s investment allocation process involves reviewing the investment opportunity against the unique investment strategy and portfolio guidelines of each CBRE IM mandate to determine whether there is a fit. When an investment opportunity meets the investment guidelines of more than one mandate and there is no limit on the size of the investment opportunity, then each eligible mandate will be allocated its preferred investment size. When an investment opportunity meets the investment guidelines of more than one mandate and there is a limit to the size of the investment

opportunity, CBRE IM will initially allocate the investment opportunity pro rata based on its preferred investment size, subject to adjustments for minimum and maximum investment sizes and portfolio construction considerations. The final allocation decisions are approved by the applicable CBRE IM Investment Committee (the “CIC”). There can be no assurance that a client will ultimately be allocated all opportunities that fall within its investment objectives.

## **Item 7 - Types of Clients**

CBRE IM currently provides private markets portfolio management services and investment solutions to public and corporate pension plans, government entities, banks, investment foundations, charities, insurance plans and interval funds. Other types of investors CBRE IM targets to provide services to include endowments, family investment offices, and other institutional clients. In addition, CBRE IM sponsors Funds, including CGIF. Investment advice is provided directly to a Fund (subject to the direction and control of the general partner of the Fund) and not individually to investors in such Fund.

CBRE IM has no minimum account size or other formal requirements for taking on or maintaining a client investment mandate. CBRE IM, in its sole discretion, may accept or decline any client account.

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

### **Methods of Analysis and Investment Strategies**

CBRE IM operates an infrastructure investment strategy. CBRE IM’s infrastructure investment strategy seeks to construct globally diversified portfolios focused on mid-market infrastructure investments in OECD geographies. The portfolios constructed for Clients can contain direct investments, co-investments and fund investments. CBRE IM’s direct and co-investment opportunities focus on core and core-plus infrastructure assets characterized by a balance of regulated, long-term contracted and demand-driven revenue streams. In some cases, select higher returning assets may be acquired and de-risked over time to exhibit core characteristics. CBRE IM’s fund investment opportunities focus on identifying top quartile mid-market fund managers through its broad market awareness and its rigorous screening and on-going review process.

The Firm conducts its own analysis and research throughout all phases of the investment process and undertakes a rigorous approach to the evaluation and assessment of all investment opportunities in the context of each client’s strategy, objectives and constraints. CBRE IM employs an integrative top-down and bottom-up analysis of the market and the potential opportunities therein to identify those best suited for each of its clients.

CBRE IM will utilize the process described below to source high-potential direct investment, co-investment and fund investment opportunities that fulfill its investment strategy:

Initial screen: CBRE IM performs an initial review of potential investments based on the confidential information memorandum, manager meetings and/or a review of fund offering documents with a focus on the investment merits, strategy, organization and team, track record, current portfolio, and terms and conditions.

*Investment team review:* CBRE IM's investment team reviews the pipeline of new opportunities to develop a position on potential investments and discuss next steps. As part of this process, CBRE IM identifies potential opportunities that are believed to be a fit for its clients' portfolios. Particular attention is paid to an investment opportunity's potential to match the needs of a client's investment program as determined in the strategy development phases.

*Due diligence:* As part of its preliminary due diligence, an investment deal team will then perform a more thorough analysis of the investment opportunity. It is customary for CBRE IM to develop a preliminary investment thesis, as well as identify risks and issues to be examined further. In developing and refining the investment thesis for a particular opportunity deemed of high potential, CBRE IM conducts a thorough evaluation and detailed qualitative and quantitative analysis of the investment opportunity as part of its formal due diligence. A detailed assessment is made by CBRE IM regarding the prospective manager's or management team's ability to continue to deliver on its strategy and the investment's likelihood of generating expected returns going forward. CBRE IM further reviews and evaluates potential issues and risks to the investment rationale to ensure they are commensurate with the client's short- and long-term investment objectives.

*Investment Decision, Documentation and Closing:* Upon completion of due diligence, a formal report/investment recommendation, summarizing CBRE IM's deal team findings and final recommendations is developed, refined and presented to the CIC, which makes the final investment decision. For certain non-discretionary mandates, investment decisions must also be approved by the Client's investment committees and/or staff, as required.

As with any type of investing, a certain degree of risk is associated with private markets (infrastructure and private equity) investing. As a result, clients should be prepared to bear the potential risks and considerations described herein. Note that the below risk factors are just a summary of certain material risks that might pertain to an investment in a Fund or SMA advised by CBRE IM. Investors in CGIF are encouraged to review the detailed risk disclosures provided in CGIF's PPM and other applicable governing documents.

*Returns:* Because of the nature of investment opportunities that CBRE IM advises on, the anticipated or targeted returns cannot be guaranteed. CBRE IM uses extensive research, forecasting analyses and benchmarking for the purpose of identifying in advance and mitigating any potential performance risks; however, returns can be unpredictable and ultimately are not assured. During due diligence, CBRE IM will analyze the track records and historical performance of potential investments as well as the underlying assumptions and key drivers of success in order to maximize the Client's probability of achieving targeted return but there is no guarantee such efforts will be successful or that any specific level of returns will be achieved.

*Investment Horizon:* Private markets fund investments typically have limited lives (generally 10-12 years); therefore, investors need to consider whether the duration of these kinds of investments are acceptable and/or consistent with any potential short-term liquidity requirements. As CGIF has a perpetual term, investors in CGIF may be required to hold their investment in CGIF for an indefinite period of time, subject to limited repurchase rights.

*Regulatory Issues:* Changes made by the regulators could impact revenues, growth, and performance outcomes for certain investments. A clear understanding of the regulatory

environment is fundamental both prior to, and during an investment period. CBRE IM is constantly monitoring market developments as it relates to regulatory issues but there is no guarantee that such efforts will be successful and certain regulatory changes may result in increased cost for CBRE IM and, potentially, its clients.

*Illiquidity:* Private markets investments typically lack short-to-medium term options for liquidity during which there are often a limited number of exit strategies available. Investors bear the risk of limited liquidity for the duration of their private markets investments. While CBRE IM may attempt to assist its clients in achieving liquidity through sales on the secondary market, such efforts may not be successful.

*Macroeconomic Factors:* Investors face macroeconomic risks as a result of adverse changes in the economic cycle, economic growth, employment, inflation, interest rates, FX rates, etc.

*Resourcing:* Significant time and portfolio management resources are required by institutional investors to both execute and monitor private markets investments. Investors need either to allocate the appropriate internal resources to this initiative or outsource these capabilities.

*Over-Diversification:* Although investors should seek a certain level of portfolio diversification, they should also be aware of the risk of over-diversifying their private markets portfolio to industry average performance by investing in too many opportunities.

*Transparency:* Due to the nature of private markets investing, transparency to new investors and the wider market can be difficult to achieve. This opacity poses a potential risk as it makes relative performance assessment and comparison difficult to assess.

*Leverage:* Investors should be aware that increased leverage leads to increased risk and potential scenarios could arise where portfolio companies are unable to meet their debt obligations, thus impacting eventual returns to a Client and its investors. While leverage can potentially increase returns, it can also magnify the impact of losses.

## **Risks**

Investing in securities involves a substantial degree of risk. A Client may lose all or a substantial portion of its investments, and investors in a Fund or SMA must be prepared to bear the risk of a complete loss of their investments.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for Clients, include, but are not limited to, the following:

**Nature of Investments Generally.** The individual companies, assets or entities in which a Client will invest, either directly through a combination of making equity and equity-related investments and, on a selected basis, debt investments in infrastructure assets and businesses may involve a high degree of business and financial risk. A Client's investment portfolio will consist, in part, of securities issued, either directly or indirectly by privately held companies portfolio companies. Operating results of portfolio companies can be difficult to predict. Portfolio companies may include companies, assets or entities that are experiencing or are expected to experience financial

difficulties. These financial difficulties may never be overcome and may cause any such company to become subject to bankruptcy proceedings. In addition, they may require substantial additional capital to support their operations, to finance their expansion or to maintain their competitive position, or may otherwise have a weak financial condition. Portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities and a larger number of qualified technical personnel. In addition, the equity securities in which a Client will invest will generally be the most junior in what will typically be a complex capital structure of a portfolio company, and thus subject to the greatest risk of loss.

Investments in portfolio companies are subject to various risks, including the risk that a Client will be unable to realize on its investment by sale or other disposition at attractive prices, or will otherwise be unable to complete a successful exit strategy. Furthermore, investments may require a substantial length of time to liquidate and under some circumstances, may result in distributions in-kind to the investors in a Client. There can be no assurance that a public market will develop for the interests, units or securities of any portfolio company or that a Client will otherwise be able to realize a return of capital from the sale of such investment.

Given that a Client may make only a limited number of investments in portfolio companies, and given that these investments generally will involve a high degree of risk, poor performance by a few portfolio companies could severely affect the total returns of a Client.

**Identification and Availability of Investment Opportunities.** A Client's success depends on the identification and availability of suitable investment opportunities. The business of identifying and structuring infrastructure investments is highly competitive and involves a high degree of uncertainty. A Client may compete for investments and participate in auction processes with many other sources of capital, including infrastructure funds and private equity funds, as well as publicly listed infrastructure companies, institutional and strategic investors and governmental agencies. Some of these competitors may have advantages over a Client in acquiring infrastructure investments, including larger amounts of available capital and lower targeted returns, which may result in such competitors offering more favorable terms for such investment opportunities than a Client. The competition for and availability of investment opportunities will be subject to market conditions and other factors outside the control of a Client. Consequently, investors in a Client face risk and uncertainties relating to the ability of a Client to identify a sufficient number of investment opportunities and to acquire them on attractive terms. If competition for infrastructure investment opportunities increases, the number of attractively priced investment opportunities may decrease and lead to higher valuations of potential investments. As a result, a Client may either need to pay more for its investments than it would otherwise anticipate, which may affect its returns, or be precluded from investing at all.

There can be no assurance that a Client will be able to identify sufficient attractive investment opportunities to meet its investment objectives or fully deploy its commitments. If a Client is unable to identify and execute upon a sufficient number of attractive investment opportunities to deploy its commitments, then the potential return to the investors in a Client could be materially reduced and may be adversely affected in a material manner by the unfavorable performance of even one portfolio company.

**Portfolio Investment Management Risks.** If a Client takes a controlling position in a portfolio company, it may rely on existing operating management teams that have experience in the day-to-day operations of the applicable business. In addition, a Client may directly or indirectly engage and invest in management teams (whether for a single asset or a platform investment consisting of multiple assets with similar characteristics) to provide day-to-day operational services for the asset or platform, as applicable. The success of these portfolio companies will depend on the ability and continued effort of these management teams. The loss of any key individuals from such management teams could materially and adversely affect such portfolio company's performance.

If a Client takes a minority position in a portfolio company, it may have a limited ability to influence the management of these portfolio companies. A Client's inability to exercise significant influence over the operations and strategy of the portfolio companies means that decisions could be made that adversely affect a Client.

**Mid-Market Investments.** A Client's investment strategy is to make mid-market infrastructure investments. Such investments may entail greater risks than are generally associated with large-scale infrastructure investments. Mid-market infrastructure investments may have relatively limited resources, including human and financial resources, which may make them more vulnerable to general economic trends and to specific changes in regulation, licensing and technology. Because of their size, future growth may be dependent on sources of additional financing, which may not be available on acceptable terms when required.

**Follow-on Investments.** A Client may be called upon to make follow-on investments in existing portfolio companies or have the opportunity to increase its investment in such portfolio companies. There can be no assurance that a Client will wish to make follow-on investments or that it will have sufficient funds to do so. Any decision by a Client not to make, or its inability to make, a follow-on investment may have a negative impact on the portfolio company, may diminish a Client's ability to influence the portfolio company's future development or may result in a Client's position in the portfolio company being diluted and/or the loss of certain rights and protections that were agreed as part of the initial investment.

**Disposition of Investments.** In connection with the disposition of interests in a portfolio company, a Client may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business and may be responsible for the content of disclosure documents under applicable securities laws. It may also be required to indemnify the purchasers of a Client's interests in the portfolio company to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the investors in a Client. The Organizational Documents include provisions to the effect that, if there is any such claim in respect of a portfolio company, investors in a Client may be required to return distributions they received from a Client in respect of such portfolio company to satisfy such claim.

**Concentration/Lack of Diversification.** A Client may not be able to build a diverse investment portfolio in accordance with its sector and geography diversification guidelines, which subject to the terms of any Organizational Documents, may be subject to any change by CBRE IM without the consent of investors. Various factors, including prevailing market conditions, available investment opportunities and the timing of investments, may prevent CBRE IM from diversifying

a Client's portfolio or may result in a Client's portfolio not being as diversified as CBRE IM might otherwise prefer. The ability of a Client to diversify its investments will also depend in part on the amount of capital ultimately committed to a Client. Therefore, a Client could potentially be concentrated in relatively few portfolio companies. Because of the length of time typically needed to construct a portfolio, a Client's portfolio will not be fully invested or diversified initially. Since a Client's investments will be concentrated within relatively few portfolio companies, an investment in a Client may be substantially adversely affected by the unfavorable performance of a small number of such investments and/or subject to greater market fluctuations than an investment in a portfolio of securities representing a broader range of industries.

**Bankruptcy Risk.** Each of a Client's investments in a portfolio company is subject to the risk that the business and/or the assets of such portfolio company may be pledged to third parties, including senior lenders, and could be foreclosed upon or otherwise acquired by such third parties under certain circumstances, including an unremedied default. In this case, a Client is likely to be without recourse and may be subject to a material adverse effect in its business. Further, in the event of the bankruptcy of a portfolio company, prior distributions to a Client from such portfolio company may be reclaimed if such prior payments are determined to have been a "preference" payment under applicable bankruptcy and related laws and regulations. In such an instance, a Client would be required to return any such preferential payment and would only be entitled to receive its share of such portfolio company's assets after payment to all other creditors and, possibly, other equity holders with a preferred interest. The result is that a Client may receive only a portion of a return, or no return, on a Client investment, to the overall detriment of a Client and investors in a Client.

**Counterparty Risk.** Counterparty risk is the risk of loss due to a counterparty's default. Counterparties are third parties that enter into contracts either directly with a Client or with any of its portfolio companies. The long-term financial performance of a Client is partially dependent on the creditworthiness and performance of counterparties with regard to a variety of agreements and arrangements. Infrastructure investments in particular may involve contractual agreements between portfolio companies and certain counterparties pursuant to which the portfolio companies will seek to receive revenue for its services. If a counterparty is unable or chooses not to meet its obligations, financial or otherwise, a Client may be adversely impacted.

**Guarantees.** A Client may guarantee indebtedness or other liabilities of any portfolio company, any affiliate thereof or any vehicle formed to affect an investment in such portfolio company. If such a guarantee is enforced and a Client is required to pay amounts owing thereunder, a Client may or may not be able to recover its allocable share of the guaranteed indebtedness from such portfolio company or other entity. If a Client does not have sufficient cash available to fund its allocable share of the guaranteed indebtedness, then, subject to the terms of the Client's Organizational Documents, it may draw down from its investors' undrawn commitments.

**General Infrastructure Asset Risks.** Investing in infrastructure assets may be subject to a variety of risks, not all of which can be foreseen or quantified, including operating, economic, environmental, reputational, commercial, currency, regulatory, political and financial risks. There can be no assurance that a Client's investments will be profitable or generate cash flow sufficient to provide a return on or recovery of amounts invested therein.



An investment in a Client is subject to certain risks associated with the ownership of infrastructure and infrastructure-related assets in general, including: the burdens of ownership of infrastructure; local, national and international economic conditions; the supply and demand for services from and access to infrastructure; the financial condition of users and suppliers of infrastructure assets; changes in interest rates and the availability of funds, which may render the purchase, sale or refinancing of infrastructure assets difficult or impracticable; changes in environmental laws and regulations and planning laws and other governmental rules; environmental claims arising in respect of infrastructure acquired with undisclosed or unknown environmental problems or as to which inadequate reserves have been established; changes in energy prices; changes in fiscal and monetary policies; changes in inflation rates; negative developments in the economy that depress travel; changes in market and societal sentiment towards traditional energy infrastructure and the growth in demand, globally and by jurisdiction, for renewable and other alternative energy sources; uninsured casualties; force majeure acts, terrorist events, under-insured or uninsurable losses; and other factors which are beyond the reasonable control of a Client. Many of these factors could cause fluctuations in usage, expenses and revenues, causing the value of a Client's investments to decline and negatively affect a Client's returns.

**Regulatory and Legal Risks.** Many of a Client's investments will be in portfolio companies that are subject to substantial regulation by governmental agencies. In addition, their operations may often rely on governmental licenses, concessions, leases or contracts that are generally very complex and may result in disputes over interpretation or enforceability. If any such portfolio companies fail to comply with these regulations or contractual obligations, they could be subject to monetary penalties or they may lose their rights to operate the underlying infrastructure assets or both. Where their ability to operate an infrastructure asset is subject to a concession or lease from the government, the concession or lease may restrict the ability to operate the asset in a way that maximizes cash flows and profitability. The lease or concession may also contain clauses more favorable to the government counterparty than a typical commercial contract. For instance, the lease or concession may enable the government to terminate the lease or concession in certain circumstances (such as a default by the entity) without requiring it to pay adequate compensation. In addition, government counterparties also may have the discretion to change (including by reducing rates or allowed rates of return) or increase regulation of the operations of portfolio companies or to implement laws, regulations or policies affecting their operations, separate from any contractual rights that the government counterparties may have. Governments have considerable discretion in adopting new laws and implementing regulations and policies that could impact portfolio companies and may be influenced by political considerations and may make decisions that materially and adversely affect such portfolio companies and their operations.

Other regulatory risks include: (i) portfolio companies selling goods and services that are subject to price regulation; (ii) required permits, including direct or indirect change of control or approval requirements for significant new direct or indirect investors, which make finding and disposing of interests in regulated portfolio companies more difficult than for unregulated entities; and (iii) regulated businesses generally being subject to more onerous disclosure requirements, meaning certain information about a Client and its investors may need to be disclosed to regulators and/or the public.

**Political Risks.** The operation of a Client's assets may be affected by sovereign or political risk. Major disturbances such as regime changes, wars, riots, strikes, blockades and acts of terrorism

have the potential to adversely affect the revenues of infrastructure owners such as a Client. Any terrorist attacks or outbreak of associated military or responsive action could also have a material adverse effect on a Client's ability to provide some or all of the services associated with the infrastructure assets, which in turn could negatively impact the earnings (and profits) of a Client and the investors.

Moreover, government action or inaction could have a significant effect on economic and market conditions in certain jurisdictions and may have a significant indirect effect on the performance of the portfolio companies that operate in these jurisdictions. For example, government approvals may be required in connection with private transactions, and such approvals may take longer to obtain in some jurisdictions than others. Some governments may also impose certain trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures (which may, in some cases, be retroactive), and this may in turn adversely affect the performance of a Client's assets in the relevant jurisdictions. Changes in government may also result in applicable regulatory regimes and policies being amended, repealed or otherwise modified, which may create uncertainty as to the operation of the portfolio companies and may be detrimental to the interests of a Client in the relevant jurisdiction.

**Public Infrastructure Risks.** A Client may make investments in portfolio companies that, directly or indirectly, control public infrastructure and that constitute significant strategic value to public or governmental bodies. Such assets may have a national or regional profile and may have monopolistic characteristics. The very nature of these assets could create additional risks not common in other industry sectors. Given the national or regional profile and/or irreplaceable nature of certain strategic assets, such assets may constitute a higher risk target for terrorist acts or political actions, such as expropriation. Given the essential nature of the services provided by certain public infrastructure, there is also a higher probability that if an owner of such assets fails to make such services available, users of such services may incur significant damage and may be unable to replace the supply or mitigate any such damage, thereby heightening the risks of third-party claims. These assets are also impacted by the interests of local communities and stakeholders, which may affect the operation of such assets. Certain of these communities may have or develop interests or objectives that are different from, or even in conflict with, the owners of such assets.

**Unforeseen Events Risk.** The use of infrastructure assets may be interrupted or otherwise affected by a variety of events outside CBRE IM's control, including serious traffic accidents, natural disasters (such as fire, floods, earthquakes and typhoons), man-made disasters, defective design and construction, slope failure, bridge and tunnel collapse, road subsidence, toll rates, fuel prices, environmental legislation or regulation, general economic conditions, labor disputes, pandemics and other outbreaks of infectious diseases or other serious public health concerns, supply chain disruptions and other unforeseen circumstances and incidents. Certain of these events have affected infrastructure assets in the past, and if the use of the infrastructure assets is interrupted in whole or in part for any period as a result of any such events, the revenues of portfolio companies could be reduced, the costs of maintenance or restoration may increase, and the overall public confidence in such infrastructure assets could be reduced.

Insurance and other risk management products that may be used to help manage the risks resulting from catastrophic events and other risks customarily covered by insurance may not always be practicable, feasible or available on commercially reasonable terms. Moreover, it will not be

possible to insure against all such risks, and such insurance proceeds as may be derived in a timely manner from covered risks may be inadequate to completely or even partially cover a loss of revenues, an increase in operating and maintenance expenses and/or a replacement or rehabilitation of the asset.

**Privatization.** A Client may make investments in portfolio companies that, directly or indirectly, were or are government-owned enterprises that have been or will be transferred from government to private ownership. There can be no assurance that any privatizations will be undertaken or, if undertaken, that such plans will be successfully completed or even completed at all. There can also be no assurance that, if a privatization is undertaken by a government, a Client will have the opportunity to participate in the privatization process or the investing consortium. Prospective investors should also be aware that changes in governments or economic factors could result in a change in a country's policies on privatization. If these policies change in the future, it is possible that governments may determine to return infrastructure projects to public ownership. The level of compensation that would be provided by such governments to the owners of the private companies that own such infrastructure projects cannot be accurately predicted, but could be substantially less than the fair market value or the amount invested in such companies.

**Environmental Risks.** The operation of infrastructure assets is subject to numerous statutes, rules and regulations relating to environmental protection. A Client's portfolio companies may be subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements, and there can be no guarantee that all costs and risks regarding compliance with such laws, regulations and permit requirements can be identified by CBRE IM at the time of investment. Such laws, regulations and permit requirements often set standards regarding certain aspects of health and environmental quality, and may provide for penalties and other liabilities in connection with the contravention of such standards. For example, certain laws may establish joint and several obligations to remediate and/or rehabilitate current and former facilities or locations where operations are, or were, conducted or where environmentally sensitive materials were disposed. Further, it is possible that new and more stringent environmental and health and safety laws, regulations and permit requirements could be passed in the future (and/or current laws, regulations or permit requirements could be subject to stricter interpretations in the future) that impose substantial additional costs to a Client, portfolio companies or potential portfolio companies.

Compliance with current or future environmental and health and safety laws, regulations and permit requirements does not guarantee that the operations of portfolio companies will not cause injury to the environment or to people under all circumstances or that portfolio companies will not be required to incur additional unforeseen environmental expenditures. Nevertheless, failure to comply with any such laws, regulations or permit requirements could have a detrimental impact on the financial performance of infrastructure projects and could, as a result, have a detrimental impact on the returns to investors in a Client. There can be no assurance that portfolio companies will comply with all applicable environmental laws, regulations and permit requirements at all times. Any non-compliance with these laws, regulations or permit requirements could subject a Client and its investments to material penalties or other liabilities. Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on a Client or its investors.

Past practices or future operations of portfolio companies could also result in material personal injury or property damage claims. For example, with certain infrastructure projects there is the possibility of existing or future environmental contamination, including soil and groundwater contamination, as a result of the spillage of hazardous materials or other pollutants.

Under various environmental statutes, rules and regulations of the appropriate jurisdiction, a current or previous owner or operator of real property may be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of hazardous materials. The presence of hazardous materials on a property could also result in personal injury, property damage or similar claims by private parties.

Persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of those materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person. Any liability of portfolio companies resulting from non-compliance or other claims relating to environmental matters or any costs related to coming into compliance could have a material adverse effect on the value of a Client's investments in such portfolio companies and adversely affect the performance of an investment.

In addition, there is growing consensus that global warming and other climate changes pose a significant threat to our environment in the future. As such, initiatives seeking to address climate change through laws and regulations have been adopted by, are pending or have been proposed before international, federal, state, provincial and regional regulatory authorities. A Client and its portfolio companies face various climate change risks, which could have a material impact on operations. Such risks include (i) regulatory or litigation risk (e.g., changing legal requirements that could result in increased litigation or compliance costs, including changes in business operations and/or the suspension or discontinuance of certain operations); (ii) market risk (e.g., declining market for certain environmentally sensitive products or services); and (iii) physical risk (e.g., risks to physical locations due to environmental conditions, such as rising sea levels, increased frequency or severity of storms, drought and other physical occurrences attributable to climate change). These climate change risks could, in certain circumstances, result in unanticipated delays or expenses and could prevent the completion of a Client's investment activities, any of which could have an adverse effect on a Client. As well, changes in public support for climate action, combined with increased activism and opposition to certain projects and industries in connection with climate change, among other environmental considerations, have the potential to inhibit, delay or permanently halt the development and/or operation of infrastructure assets and projects, some or all of which may be outside of the control of a Client and its portfolio companies.

**Transportation and Storage Risks.** There are a variety of hazards and operating risks inherent to the transportation, relocation and storage of equipment, raw materials, waste materials and other hazardous, radioactive and explosive materials, such as leaks, releases, explosions, mechanical problems and damage caused by a Client's investments and/or third parties. There may also be additional risks to sea vessels including adverse sea conditions, capsizing, grounding and navigation errors. These risks could result in serious injury and loss of human life, significant damage to property and natural resources, environmental pollution and impairment of operations,

any of which also could result in substantial financial losses to a Client's investment. For assets located near populated areas, including residential areas, commercial business centers, industrial sites and other public gathering areas, the level of damage resulting from these risks, and therefore financial losses, may be greater. In addition, the failure of a Client's investment to properly handle, transport or dispose of raw materials, waste materials and other hazardous, radioactive and explosive materials or otherwise conduct its operations in accordance with applicable environmental laws may negatively impact the revenues and cash flows of a Client's investment and expose such investment to substantial liability for administrative, civil and criminal penalties, cleanup and site restoration costs and liability associated with releases of such materials, damages to natural resources and other damages, as well as potentially impair its ability to conduct operations. Furthermore, losses in excess of a Client's investment's insurance coverage could have an adverse effect on its business, financial condition and results of operations.

**Siting.** Infrastructure and infrastructure-related projects may be subject to siting requirements. Siting of infrastructure projects is also frequently subject to regulation by applicable governmental authorities. For example, proposals to site a facility may be challenged by a number of parties, including non-governmental organizations and special interest groups based on alleged security concerns, disturbances to natural habitats for wildlife and adverse aesthetic impacts, including the common "not in my backyard" phenomenon. Concerns may also arise that require governmental permits or approvals, the receipt of which may depend, in part, on heightened environmental concerns and public opposition in some jurisdictions.

**Construction Risk.** To the extent that a Client invests in projects that involve significant construction, such as greenfield developments that are generally non-income producing during the construction phase, there is a risk that such projects will not be completed within budget, within the agreed timeframe or to the agreed specification, which may result in increased costs or significant delays in the commencement of cash flow generation. Such unexpected delays or costs may result in increased debt service costs and the inability of project owners to meet the higher interest and principal repayments arising from the additional debt requirement. In addition, there could be insufficient funds to complete construction. Delays in project completion may also affect the scheduled cash flow necessary to cover the debt service costs and operation and maintenance expenses. Construction contracts may include provisions for the payment of liquidated damages by the construction contractors, but a Client may not benefit from such provisions and may be exposed to any losses not covered by such provisions or to the financial failure of the contractors.

**Development Financing Risk.** Portfolio companies may involve the funding of early-stage development costs, including feasibility and technical studies, preliminary engineering and permitting costs, legal costs and bid preparation and submission costs. Funding of development costs is subject to a substantial risk of loss and there can be no assurance that the entity to which a Client has advanced development funding will be awarded the relevant transaction or that it can close and finance the transaction sufficiently for a Client to recover its development costs. Development-stage investments may involve significant construction risk including the risk of substantial delay or increase in cost due to a number of unforeseen factors (including political opposition, regulatory and permitting delays, delays in procuring sites, strikes, disputes, environmental issues, force majeure or failure by one or more participants to perform in a timely manner their contractual, financial or other undertakings). Material delays or increases in cost may not be absorbed by the contractor/supplier, surety or other participants (by means of liquidated

damages payable by the contractor or another participant, insurance proceeds or otherwise) and could significantly impair the financial viability of a development-stage investment.

**Utility and Energy Industries Risk.** Risks that are intrinsic to the utility and energy infrastructure industries include difficulty in obtaining an adequate return on invested capital, difficulty in financing large construction programs, restrictions on operations and increased cost and delays attributable to environmental considerations and regulation, difficulty in raising capital in adequate amounts on reasonable terms in periods of high inflation and unsettled capital markets, technological innovations that may render existing plants, equipment or products obsolete, the potential impact of natural or man-made disasters, exposure to health, safety and security risks, increased costs and reduced availability of certain types of fuel, occasionally reduced availability and high costs of natural gas for resale, the effects of energy conservation, the effects of a national energy policy and lengthy delays and greatly increased costs and other problems associated with the design, construction, licensing, regulation and operation of utility and power generation facilities. There are substantial differences among the regulatory practices and policies of various jurisdictions, and any given regulatory agency may make major shifts in policy from time to time. There can be no assurance that regulatory authorities will, in the future, grant rate increases or that such increases will be adequate to permit the payment of dividends on common stocks issued by a utility or energy infrastructure company. Additionally, existing and possible future regulatory legislation may make it even more difficult for utilities or energy infrastructure enterprises to obtain adequate relief. Governmental authorities may from time to time review existing policies and impose additional requirements governing the licensing, construction and operation of power plants. Prolonged changes in climatic conditions can also have a significant impact on both the revenues of an electric and gas utility as well as the expenses of a utility, particularly a hydro-based electric utility. Changes in environmental conditions, such as hydrology, solar and wind, could materially adversely affect the volume of electricity generated at electric generating stations, which could materially impact revenue and cash flow. Environmental conditions have natural variations from season to season and from year to year and may also change permanently because of climate change or other factors outside of CBRE IM's control.

The ownership, construction and operation of utility and energy infrastructure companies carry an inherent risk of liability related to health, safety, security and the environment, including the risk of potential civil liability or of government-imposed orders to remedy unsafe conditions and/or to remediate or otherwise address environmental contamination or damage. A Client's investments could also be exposed to potential penalties for contravention of health, safety, security and environmental laws. In the ordinary course of business, owners of utility and energy infrastructure companies incur capital and operating expenditures to comply with health, safety, security and environmental laws to obtain licenses, permits and other approvals and to assess and manage related risks. The cost of compliance with these laws (and any future laws or amendments enacted) may increase over time and result in additional material expenditures. Portfolio companies may become subject to government orders, investigations, inquiries and other proceedings (including civil claims) relating to health, safety, security and environmental matters as a result of which such portfolio company's operations may be limited or suspended. The occurrence of any of these events and any changes, additions to or more rigorous enforcement of health, safety, security and environmental laws could have a material and adverse impact on a portfolio company's operations and result in additional material expenditures. Additional environmental, health and safety issues relating to presently known or unknown matters may require unanticipated expenditures, or result

in fines, penalties or other consequences (including changes to operations) that may be material and adverse to such portfolio company. Furthermore, in the ordinary course of business, utility and energy infrastructure companies are involved in various legal actions that could expose such companies to liability for damages. The outcome with respect to outstanding, pending or future actions cannot be predicted with certainty and may be adverse to a portfolio company and as a result could have a material adverse effect on such portfolio company's assets, liabilities, business, financial condition, results of operations and cash flow. Such investments are subject to governmental or regulatory investigations from time to time. Governmental and regulatory investigations, regardless of their outcome, are generally costly, divert management attention and have the potential to damage the reputation of a Client and CBRE IM. In certain jurisdictions, acquisitions and dispositions of utilities or energy companies might require regulatory approvals and be subject to significant regulatory requirements. Obtaining any such approvals and complying with any such regulatory requirements may be costly and/or time-consuming. For example, in the United States, interstate transmission companies are regulated by the Federal Energy Regulatory Commission ("FERC"), so certain of a Client's acquisitions and dispositions may be subject to FERC approval under the U.S. Federal Power Act, as amended. There has also been increasing global focus on the implementation and enforcement of anti-bribery and anti-corruption legislation by various governmental agencies, including the SEC and the Department of Justice in the United States. The unfavorable resolution of any governmental or regulatory investigation could result in criminal liability, fines, penalties and other monetary or non-monetary remedies and could materially affect portfolio companies or such portfolio companies' operations.

The following are examples of risks associated with certain sectors of the utility and energy infrastructure industry.

**Electric:** The electric utility industry consists of companies that are engaged principally in the generation, transmission and sale of electric energy, although many also provide other energy-related services. Electric utility companies have historically been subject to the risks associated with increases in fuel and other operating costs; failures of power generation or other equipment, including transmission lines; high interest costs on borrowings needed for capital construction programs and costs associated with compliance with environmental and safety regulations and changes in the regulatory climate. Electric utility companies are also subject to the risk that their regulators may lower allowed rates of return as the utilities' costs decrease and fail to increase allowed rates of return to keep pace with the utilities' increased costs. Electric utilities may also face risks associated with deregulation and the introduction of increased competition, which may result in lower revenue, lower credit ratings, increased default risk and lower electric utility security prices. Such increased competition may also cause long-term contracts, which electric utilities previously entered into to buy power, to become "stranded assets" that have no economic value. There is a risk that losses associated with such contracts may not be absorbed by ratepayers and will be borne by investors.

**Gas:** Gas utility companies have been adversely affected by disruptions in the oil industry and have also been affected by increased concentration and competition. Gas utility companies are subject to the risk of fluctuations in fuel prices; changes in government regulations, including the imposition of carbon taxes or other carbon reduction programs; changes in market and societal sentiment towards the use of fossil fuels and the growth in demand for renewable

power; failures of pipelines, transmission lines, power generation or other equipment; and high interest costs on borrowings needed for capital construction programs.

**Water:** Water supply utilities are companies that collect, purify, distribute and sell water. Companies in this industry are generally mature and may experience little or no per capita volume growth. Water supply utilities are subject to the risk of existing or future environmental contamination, including soil and groundwater contamination, as well as the delivery of contaminated water, as a result of the spillage of hazardous materials or other pollutants; changes in regulations or governmental subsidies; changes in water flows, levels or rights; high operating and maintenance costs; failures of power generation or other equipment and high interest costs on borrowings needed for capital construction programs.

**Renewables:** Renewable energy companies are dependent upon factors such as available water flows, wind conditions and weather conditions generally that may significantly impact the performance of such companies. Hydrology, wind, sun and other weather conditions generally have natural variations from season to season and from year to year and may also change permanently because of climate change or other factors. A natural disaster could impact water flows, and water rights are generally owned or controlled by governments that reserve the right to control water levels or may impose water-use requirements as a condition of license renewal. Wind and solar energy projects are highly dependent on weather conditions and, in particular, on wind and sun conditions, respectively. Renewables are also subject to the risk of high operating and maintenance costs; failures of power generation, power storage or other equipment, including transmission lines; and high interest costs on borrowings needed for capital construction programs. Further, if renewable energy technology proves unsuitable for widespread commercial deployment or if the demand or political support for renewable energy products fails to develop sufficiently (including as a result of changes in market conditions, such as a decrease in the price of fossil fuels), a Client's investments in renewable energy projects may be adversely affected. Additionally, the operation and financial performance of any renewable energy investment will be significantly dependent on governmental policies, subsidies, regulatory frameworks and societal sentiment that support renewable energy sources. Investments in renewable energy and related businesses and/or assets currently enjoy support from several global governments and regulatory agencies that have created programs and policies that are designed to finance or support the financing development of such businesses and/or assets, such as various renewable energy credits and utility programs, such as system benefits charges and customer choice programs. Nevertheless, some jurisdictions may have variable views on policies regarding renewable energy (and, for example, may be more willing or likely to abandon initiatives regarding renewable energy in favor of more carbon-intensive forms of traditional energy generation). The combined effect of these programs and policies is to subsidize in part the development, ownership and operation of renewable energy projects, particularly in circumstances where the low cost of fossil fuel may otherwise make the cost of producing energy from renewable sources uneconomic. In addition, some of the jurisdictions in which a Client's renewable energy investments may be located may have Renewable Portfolio Standards ("RPS") requirements that support the sale of electricity generated from renewable energy sources. Electric utility suppliers may satisfy their RPS requirements by purchasing renewable energy or renewable energy credits from producers of electricity generated from renewable sources. There can be no assurance that government support for renewable energy will continue, that favorable legislation will pass, or that the



electricity produced by the renewable energy investments will continue to qualify for support through the RPS programs. The elimination of, or reduction in, government policies that support renewable energy could have a material adverse effect on a Client's renewable energy a Client's investments, financial condition or results of operation. Any reduction in or elimination of these programs will have an adverse effect on development of renewable energy resources. To the extent any tax credits, other favorable tax treatment or other forms of support for renewable energy are changed, a Client's renewable energy investments may be negatively impacted.

Utility Industries Generally: There can be no assurance that any privatization, deregulation or any other regulatory changes will not occur or that risk factors in addition to those noted above will not develop in the future.

**Toll Rates.** A Client may invest in portfolio companies that derive substantially all of their revenues from collecting tolls from vehicles using roads, tunnels or bridges, subways, ports or airports. Users of the toll roads, tunnels, bridges, subways, ports or airports operated by portfolio companies may react negatively to any adjustments to the applicable toll rates, or public pressure may cause relevant government authorities to challenge the toll rates. Users may react adversely to toll rates, for example, by avoiding tolls or refusing to pay tolls, resulting in lower traffic volumes and reduced toll revenues. In addition, adverse public opinion or lobbying efforts by specific interest groups could result in governmental pressure on portfolio companies to reduce their toll rates or to forego planned rate increases. CBRE IM cannot guarantee that government bodies with which portfolio companies have concession agreements will not try to exempt certain users from tolls or negotiate lower toll rates. If public pressure or government action forces portfolio companies to restrict their toll rate increases or reduce their toll rates and they are not able to secure adequate compensation to restore the economic balance of the relevant concession agreement, such portfolio company's business, financial condition and results of operations could be materially and adversely affected.

**Revenue Off-Take Agreements.** Portfolio companies may enter into revenue off-take agreements, including power purchase agreements, tolling agreements, lease agreements and other forms of revenue off-take agreements (the "**Off-take Agreements**"). Obtaining adequate Off-take Agreements may be a condition for a project to proceed to construction and/or through other stages of development, and, therefore, any inability to obtain adequate Off-take Agreements may limit CBRE IM's ability to carry out its investment thesis for the applicable project. There can be no assurance that sufficient Off-take Agreements will be obtained or, if eventually obtained, that they will be obtained within the desired schedule. In addition, payments by counterparties pursuant to Off-take Agreements may provide the majority of a portfolio company's cash flows. There can be no assurance that any or all of the counterparties will fulfill their obligations under the Off-take Agreements or that a counterparty will not become bankrupt or that, upon any such bankruptcy, its obligations under one or more Off-take Agreements will not be rejected by a bankruptcy trustee. There are additional risks relating to the Off-take Agreements, including the occurrence of events beyond the control of a counterparty that may excuse it from its obligations under an Off-take Agreement. The failure of a counterparty to fulfill its obligations under any Off-take Agreement or the termination of any Off-take Agreement may have a material adverse effect on the business and financial condition of a portfolio company.

**Power Purchase Agreement Risk.** Portfolio companies may enter into power purchase agreements (“PPAs”). Payments by power purchasers to such portfolio companies pursuant to their respective PPAs may provide the majority of such portfolio companies’ cash flows. There can be no assurance that any or all of such power purchasers will fulfill their obligations under their PPAs or that a power purchaser will not become bankrupt or that, upon any such bankruptcy, its obligations under one or more PPAs will not be rejected by a bankruptcy trustee. There are additional risks relating to the PPAs, including the occurrence of events beyond the control of a power purchaser that may excuse it from its obligations under a PPA. The failure of a power purchaser to fulfill its obligations under any PPA or the termination of any PPA may have a material adverse effect on the business and financial condition of a portfolio company.

**Illiquid and Long-Term Investments.** Although portfolio companies may generate current income, the return of capital and the realization of gains, if any, from certain portfolio companies will most likely occur only upon the partial or complete disposition of such investment. While a Client’s interest in a portfolio company may be sold at any time, it is generally expected that the disposition of a Client’s interests in most portfolio companies will not occur for a number of years after such investments are made. Since investments in infrastructure assets are generally not liquid, it is unlikely that there will be a public market for the securities of portfolio companies held by a Client at the time of their acquisition or that a public market for such securities will develop. As these securities are typically not registered for securities law purposes, they can generally be resold only in privately negotiated transactions or pursuant to a public offering registered in accordance with the applicable securities laws. Furthermore, infrastructure assets by their nature are subject to industry cyclicalities, downturns in demand, market disruptions and the lack of available capital for potential purchasers and are therefore often difficult or time-consuming to liquidate. In addition, in some cases, a Client may be prohibited or limited by contract from selling certain securities for a period of time. As a result, it may be difficult from time to time for a Client to realize, sell or dispose of a Client investment at an attractive price or at the appropriate time or in response to changing market or political conditions, or a Client may otherwise be unable to complete a favorable exit strategy. Investors in a Client should be aware that they may be required to bear the financial risk of their investment for an indefinite period of time.

**Commodity Price Risk.** Infrastructure assets may be subject to commodity price risk, including the price of electricity and the price of fuel. The operation and cash flows of infrastructure assets may depend, in some cases to a significant extent, upon prevailing market prices for energy and other commodities. Historically, the markets for oil, gas, coal, power and other commodities have been volatile. This volatility is likely to continue in the future. Market prices of these energy and other commodities may fluctuate materially depending on a variety of factors beyond the control of CBRE IM or a Client, including weather conditions, foreign and domestic supply and demand, changes in law or regulatory regimes, price and availability of alternatives and international political conditions, including the imposition of sanctions on exporting countries and other trade-related disruptions.

**Risks Arising from Acquisitions of Foreign Assets.** To the extent that a Client targets critical infrastructure investments in a country in which at least one investor in a Client is not a resident, existing, pending or future legislation in such country may have the effect of restricting the percentage of such infrastructure investments that can be owned, directly or indirectly, by such foreign investors. If such legislation restricts, or were to restrict, foreign ownership interests in

such infrastructure assets and such limitations could not be addressed by insulating foreign investors, then CBRE IM may be required to impose additional restrictions on transfers to prevent the percentage of foreign investors in certain Clients' assets from exceeding such restrictions. Such restrictions may make it more difficult to dispose of affected Client investments since the universe of potential buyers would be necessarily limited.

**Inflation Risk.** Inflation could directly materially and adversely affect portfolio companies. If an infrastructure asset is unable to increase its revenue in times of higher inflation, its profitability and ability to distribute dividends may be materially and adversely affected. Though portfolio companies may have long-term rights that link income to some extent to inflation, whether by government regulations, concessions, contractual arrangement or other factors, such rights do not protect against a rise in real interest rates, which is likely to create higher financing costs for infrastructure businesses and a reduction in the amount of cash available for distribution to investors, or a rise in commodity prices, which is likely to increase the costs associated with constructing and/or operating infrastructure assets. As a result, any rights that may increase income may not be sufficient to cover the increases in expenses. In addition, wage and price controls have been imposed at times in certain countries in an attempt to control inflation, which could significantly affect the operation of infrastructure assets. Accordingly, changes in the rate of inflation may affect the forecasted profitability of a portfolio company and a Client.

Moreover, as inflation increases, the real value of the Interests and distributions thereon can decline. If a Client is unable to increase its revenue and profits at times of higher inflation, it may be unable to pay out higher distributions to investors in a Client to compensate for decreases in the value of money, thereby affecting the expected return to investors in a Client. In addition, the market value of infrastructure assets may decline in times of higher inflation rates, which may materially and adversely affect a Client's ability to exit its portfolio companies on its desired terms and conditions as the most commonly used methodologies for valuing portfolio companies (e.g., discounted cash flow analysis) are sensitive to rising inflation.

Certain countries' economies have experienced substantial growth and, in some periods, extremely high rates of inflation for extended periods of time. Inflation has, and may continue to have, negative effects on the economies of certain of these countries. For example, the risks associated with transactions using local currencies are significantly greater in hyper-inflationary economies than in other less inflationary markets.

Further, impacts related to the global outbreak of the 2019 novel coronavirus ("COVID-19") and recent supply chain disruptions have contributed to increases in inflation rates globally, including in Canada and the U.S. The extent to which such increased inflation rates may adversely affect a Client and exacerbate the risks described above remains unclear.

**Risks Related to Interest Rate Fluctuation.** Interest rate fluctuations could significantly decrease a Client's ability to generate income on its investments, which could materially and adversely affect such Clients. CBRE IM expects the Clients primary interest rate exposure will relate to the yield on its investments and the financing cost of a Client's debt. Changes in interest rates affect the net interest income, which is the difference between the interest income a Client earns on its interest-earning investments and the interest expense such Client incurs in financing these investments. Interest rate fluctuations resulting in an interest expense exceeding the Client's interest income

would result in operating losses. Changes in the level of interest rates also may affect a Client's ability to originate or acquire investments and may impair the value of the Client's investments and the Client's ability to realize gains from the disposition of assets. Changes in interest rates may also affect borrower default rates. The Client's operating results depend, in part, on differences between the income earned on investments, net of credit losses, and financing costs. For any period during which investments are not match-funded, the income earned on such investments may respond more slowly to interest rate fluctuations than the cost of the Client's borrowings. Consequently, changes in interest rates, particularly short-term interest rates, could materially and adversely affect a Client.

**Technical and Technology Risks.** Certain portfolio companies may be subject to technical risks, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications and other unanticipated events, which may materially and adversely affect operations. There can be no assurance that any or all such risk can be mitigated or that relevant counterparties, if present, will perform their obligations.

In addition, a Client is exposed to the risk that a change could occur in the way a service or product is delivered to or by a portfolio company that renders the existing technology used by the portfolio company obsolete or allows competitors or users of the service or product to bypass the portfolio company. Any such technology change could threaten the profitability of a portfolio company. If such a change were to occur and the technology were to become obsolete, then the portfolio company's assets that use such technology would have very few, if any, alternative uses that could generate revenue. For example, as technological innovation continues to make solar, wind and other forms of alternative energy increasingly reliable, the energy market may shift away from reliance on fossil fuels, which could make oil refineries obsolete.

A Client may also invest in portfolio companies that invest in and use newly developed, less proven, technologies. There can be no guarantee that such new technologies will perform as anticipated. The failure of a new technology to perform as anticipated may materially and adversely affect the performance of portfolio companies that invest in or use such technologies.

**Demand and Usage Risk.** The revenue generated by infrastructure and infrastructure-related assets may be impacted by the demand of users or the number of users for the products or services provided by such assets (for example, traffic volume on a toll road). The power industry in particular has been affected by changes in consumer demand, as global warming and other environmental factors have caused consumers to increasingly favor renewable or alternative energy sources over traditional energy sources (such as coal and other fossil fuels).

Any reduction in demand and/or the number of users may negatively and materially impact the profitability of a Client. Demand for infrastructure assets may be subject to seasonal variations leading to increased or reduced revenues and profitability at various times during the year, which could affect the short-term returns to a Client.

**Operational Risk.** The long-term profitability of the assets in which a Client invests will be dependent upon the efficient operation, maintenance and high availability of such assets. Inefficient operations, maintenance and low availability may reduce returns of investors in a Client. Operations are also subject to the risk of equipment failure due to wear and tear, latent defect, design error, operator error or early obsolescence, among other things, which could have a

material adverse effect on the assets, liabilities, business, financial condition, results of operations and cash flow of portfolio companies.

Furthermore, once a portfolio company's underlying infrastructure assets become operational, they will face competition from other infrastructure assets in their vicinity, the presence of which depends in part on government plans and policies. For example, an increase in the number and convenience of alternative routes and competition from other modes of transportation could reduce traffic on toll roads operated by a portfolio company, which could materially and adversely affect a Client's performance.

**Independent Contractors.** Independent contractors are often used in development, construction, and operations in the infrastructure industry to perform various tasks. In periods of high commodity prices, demand for such contractors may exceed supply, resulting in increased costs or lack of availability of key contractors. Disruptions of operations or increased costs also can occur as a result of disputes with contractors or a shortage of contractors with particular capabilities. Additionally, since a business in which a Client invests may not have the same control over independent contractors as they may have over their own employees, there is a risk that such contractors will not operate in accordance with their own safety standards or other policies. Any of the foregoing circumstances could have a material adverse effect on the business in which a Client invests, and ultimately a Client's operating results and cash flows.

**Transportation Sector Risks.** A Client may invest in transportation infrastructure assets. Technological failures could impair the value of transportation assets, or could lead to a reduced demand for tourism and transportation that impacts the value of such transportation assets generally. In addition, an increase in the cost of fuel or energy could lead to a substantial increase in travel costs, which could lead to a reduced demand for tourism and transportation that could impact the value of transportation assets generally. Such events could impair the value of a Client's investment.

**Real Estate Risks.** Some or all of a Client's investments may be subject to the risks inherent in the ownership and operation of assets or businesses that derive a substantial amount of their value from real estate and real estate-related interests. These types of underlying interests are typically illiquid. Deterioration of real estate fundamentals will likely negatively impact the performance of a Client's investments. Such changes in fundamentals could involve fluctuations as a result of general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in environmental and zoning laws, casualty or condemnation losses, environmental liability, regulatory limitations on rents, changes in neighborhood values, changes in the appeal of properties to tenants, the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, natural disasters, increase in interest rates and other factors that are beyond the control of CBRE IM, and a Client. Additionally, a Client may acquire assets in jurisdictions where indigenous rights (e.g., with respect to tribes or other dispossessed people/communities) to land exist. While a Client generally expects to conduct due diligence in such jurisdictions to determine the extent to which it may be affected by such rights, it may not be possible to mitigate against or remove a risk associated with indigenous claims. Additionally, any declaration of title in respect of government protected land on which infrastructure assets are located may negatively affect the operation of those businesses or assets.

**Diligence Risk.** The acquisition of portfolio companies involves a number of risks, including failure to identify material risks or liabilities associated with the acquired assets prior to their acquisition. To mitigate these risks, CBRE IM may conduct certain diligence in relation to a Client's potential investments. Such diligence may include a review of the disclosures required of companies participating in regulated industries, key documents, management presentations, management interviews, and certain independent reports on projects and their assets, as well as independent analysis. However, the level of diligence conducted will vary, and there can be no assurance that any such diligence will be thorough or conclusive and that all material risks in potential investments will be identified. CBRE IM may also from time to time engage third parties to conduct due diligence on a Client's behalf, or obtain vendor due diligence materials, regarding potential portfolio companies, in each case, on a non-reliance basis without recourse to the relevant third party or with such recourse being subject to certain caps and/or restrictions.

Moreover, the expenses relating to such diligence could be quite substantial. Diligence costs may include, among others: feasibility and technical studies; preliminary engineering costs and marketing studies; environmental reviews; legal costs; and bid preparation and submission costs. These and other related expenses will be borne by a Client, including in the event that a Client's bid for any particular investment is not accepted or the investment is otherwise not consummated.

**Asset Level Management Risk.** In certain circumstances, the management of the business or operations of a portfolio company may be contracted to a third-party management company unaffiliated with CBRE IM pursuant to an operating agreement. Although it would be possible to replace any such operator, the failure of such an operator to adequately perform its duties or to act in ways that are in the portfolio company's best interest, or the breach by an operator of applicable agreements or laws, rules, and regulations, could have an adverse effect on the portfolio company's financial condition or results of operations. A third-party management company may suffer a business failure, become bankrupt, or engage in activities that compete with a portfolio company. These and other risks, including the deterioration of the business relationship between a Client and the third-party management company, could have an adverse effect on a portfolio company. If a third-party management company fails to perform its functions satisfactorily, it may be necessary to find a replacement operator, which may require the approval of a government or agency that has granted a concession with respect to the relevant portfolio company. As there is a limited number of operators with the expertise necessary to successfully maintain and operate infrastructure projects, it may not be possible to replace an operator in such circumstances, or do so on a timely basis, or on terms that are favorable to the Client.

In certain circumstances where a Client takes a controlling position in a portfolio company, it will often rely on an operating management team that has extensive experience in the day-to-day operations of these businesses. In addition, a Client may engage, directly or indirectly through entities in which it invests, management teams (whether for a single asset or for a platform consisting of multiple assets with similar characteristics (e.g., solar energy projects)) to provide operational services for the day-to-day operations of these businesses. Consequently, the operational success of such businesses, as well as the success of a Client's investment, will be dependent on the continued efforts of the management teams of such businesses.

Services provided by portfolio company employees, including those of management platforms, and third-party service providers, may include: portfolio company-level analysis, financial

reporting, regulatory assistance, counterparty monitoring, litigation supervision, information and technology services, insurance support, tax preparation, risk assessments, compliance and operational continuity planning. The loss of key personnel, or the inability to retain or replace qualified employees, could have an adverse effect on the portfolio company's business, financial condition and results of operations, which could materially and adversely affect a Client's performance. Portfolio company employees, including those of management platforms, are generally not employees of, nor otherwise affiliated with, CBRE IM.

**Labor Relations Risk.** Certain portfolio companies may have a unionized work force or employees who are covered by a collective bargaining agreement, which could subject such portfolio company's activities and labor relations matters to complex laws and regulations relating thereto. Moreover, a portfolio company's operations and profitability could suffer if it experiences labor relations problems. Upon the expiration of any such portfolio company's collective bargaining agreements, it may be unable to negotiate new collective bargaining agreements on favorable terms, and its business operations at one or more of its facilities may be interrupted as a result of labor disputes or difficulties or delays in the process of renegotiating its collective bargaining agreements. A work stoppage at one or more portfolio company's facilities could have a material adverse effect on its business, results of operations and financial condition, which could materially and adversely affect a Client's performance. Any such issues may also bring scrutiny and attention to a Client itself, which could adversely affect a Client's ability to implement its investment objectives.

**Health and Safety Risk.** Health and safety are key risk areas in the operation and maintenance of many infrastructure assets. Costs associated with the failure to protect the health and safety of workers in, and users of, infrastructure assets could adversely impact a Client.

**Litigation Risk.** Infrastructure assets are generally governed by a complex series of legal documents. As a result, the risks of a dispute over interpretation or enforceability of the documentation and subsequent costs and delays associated with these disputes may be higher than for other investments. Further, it is not uncommon for infrastructure assets to be exposed to legal action from special interest groups that oppose certain infrastructure projects. In addition, a Client may be subject to claims by third parties (either public or private), including product liability claims, environmental liability claims, tort claims, claims arising out of the acquisition or disposition of portfolio companies, workers' compensation claims and third-party losses related to disruption of infrastructure services. The outcome of any such proceedings could have a material adverse effect on a Client. Due to the open-ended nature of a Client, litigation risks are ongoing throughout the term of a Client and may therefore be greater than for similarly situated closed-end vehicles.

**Relevance of Prior Performance; No Assurance of Distribution or Returns.** A Client has limited operating history as a closed-end fund and an open-ended fund upon which potential investors can evaluate the likely performance of a Client. CBRE IM's prior investment performance cannot guarantee or predict the results a Client will achieve. There can be no assurance that a Client's investment objectives will be achieved. Investors in a Client should have the ability to sustain the loss of their entire investment in a Client. Due to the open-ended nature of a Client, and subject to redemption rights under a Client Agreement, prospective investors

should be aware that they may be required to bear the financial risk of their investment for an indefinite period of time.

Further, there can be no assurance that the operation of a Client will be profitable, that a Client will be able to avoid losses or that cash from its investments will be available to be distributed to an investor in a Client.

**Illiquidity; Risk of Loss.** The Funds and SMAs are intended for long-term investors who can accept the risks associated with making speculative, primarily illiquid, investments in privately negotiated transactions. There can be no assurance that an investor in a Fund or an SMA will recover their invested capital. Illiquidity may result from the absence of an established market for investments as well as from legal or contractual restrictions on their resale. CBRE IM may impose certain conditions upon the transferor of interests, including requirements that payments for all fees and expenses owed to a Fund or an SMA be made and/or deducted from the proceeds of the transfer.

**Environmental, Social and Governance (“ESG”) Risks.** Companies across all industries are facing increasing scrutiny relating to their ESG policies. Investor advocacy groups, certain institutional investors, investment funds, lenders and other market participants are increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. The increased focus and activism related to ESG and similar matters may hinder access to capital, as investors and lenders may decide to reallocate capital or to not commit capital as a result of their assessment of a company’s ESG practices. As a result, portfolio companies that do not adapt to or comply with investor, lender or other industry stakeholder expectations and standards, which are evolving, or that are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer reputational damage, and their business and financial condition may be materially and adversely affected, which may affect their ability to access financing and a Client’s ability to sell or dispose of such portfolio companies at an attractive price or at the appropriate time.

A Client may face increasing pressures from investors, lenders and other market participants, who are increasingly focused on climate change, to prioritize sustainable energy practices, reduce the carbon footprint of the portfolio companies and promote sustainability. As a result, a Client may be required to implement more stringent ESG procedures or standards so that such Client’s existing and future investors remain invested in the Client. If the Client does not meet these standards, a Client’s business and/or the ability of the Client to access capital could be harmed. Additionally, certain investors and lenders may exclude infrastructure funds from their investing portfolios altogether due to ESG factors. Such exclusions may limit a Client’s ability to access financing, which may affect the Client’s ability to meet its investment objectives and, in turn, have a material adverse effect on an investor’s investment in the Client.

While ESG is only one of the many factors CBRE IM will, subject to the Organizational Documents of the applicable Client, consider in making an investment, there can be no guarantee that it will successfully implement and make investments in companies that create positive ESG impacts while enhancing long-term value for investors and achieving targeted financial returns. To the extent that a Client engages with investments 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 a Client will depend on CBRE IM's skill in properly identifying and analyzing material ESG and other factors and their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful. Considering ESG qualities when evaluating an investment may result in the selection or exclusion of certain investments based on CBRE IM's view of certain ESG-related and other factors and carries the risk that a Client may underperform compared to other parties that do not take ESG-related factors into account because the market may ultimately have a different view of a particular company's performance than that anticipated by CBRE IM.

Consideration of ESG factors may affect a Client's exposure to certain companies, sectors, regions, countries or types of investments, which could negatively impact a Client's performance depending on whether such investments are in or out of favor. Applying impact investing goals to investment decisions is qualitative and subjective by nature, and there can be no guarantee that the criteria utilized by CBRE IM or any judgment exercised by CBRE IM will reflect the beliefs or values of any particular investor. In evaluating a potential portfolio company, CBRE IM is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause CBRE IM to incorrectly assess a company's ESG practices and/or related risks and opportunities. ESG-related practices differ by region, industry and issue and are evolving accordingly, and a company's ESG-related practices or CBRE IM's assessment of such practices may change over time. Further, a Client could incur additional costs and require additional resources to monitor, report and comply with wide-ranging and varying ESG requirements. The occurrence of any of the foregoing could have a material adverse effect on the business of a Client and the returns to investors in such Client.

**Distributions In-Kind.** It is possible that, in certain circumstances, a Client may make distributions in kind and, in the case of liquidation of a Client, such distributions could consist of securities for which there is no readily available public market or other means of realizing an investment return. There can be no assurance that the investors in such Client will be able to liquidate such assets or that any such liquidation will be at a price favorable to such Client. Such in-kind distributions may have adverse tax consequences that may not otherwise apply to an equivalent cash distribution.

**Currency Exchange Risk.** Investors should be aware that all amounts drawn down and any allocations and distributions to them will be distributed in the reference currency detailed in the Organizational Documents of the applicable Client and that if their reference currency is another currency than such currency detailed in the Organizational Documents of the applicable Client, their investment in a Client may be adversely affected by any reduction in the value of the Client's reference currency relative to their reference currency. Reference currency returns will be affected favorably or unfavorably by changes in the reference currencies exchange rates. Thus, a Client could show a profit even though investors in a Client experienced losses in their reference currency due to unfavorable exchange rate changes. In addition, investors in a Client may incur transaction costs and will bear the risk of reference currency exchange rate fluctuations in connection with payments required to be made or payments received in a currency other than the Client's reference currency which then must be converted from or into reference currency amounts. In addition, investments made by a Client made be in a currency different both from the investor's reference

currency and the Client's reference currency, and Clients and/or investors may experience losses as a result of and/or be adversely affected by unfavorable exchange rate changes at the portfolio company.

**Hedging Transactions.** A Client may, but is not required to, utilize various hedging strategies, including derivative contracts or other instruments. These activities would seek to hedge against fluctuations in the relative values of a Client's investments as a result of changes in currency exchange rates, market interest rates and public securities prices. These activities could involve a variety of derivative transactions, including transactions in forward foreign currency exchange contracts, currency and interest rate swaps, options, forward contracts, derivatives, short sales, and other similar transactions (collectively, "**Hedging Instruments**"). These Hedging Instruments entail risks that are different from those of the investments of a Client, including interest rate risk; market risk; the risk that these complex instruments and techniques will not be successfully evaluated, monitored or priced; the risk that counterparties will default on their obligations; the risk that losses on a hedge position will reduce earnings and funds available for distribution to an investor in a Client; liquidity risk; and leverage risk. Any adverse changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for a Client than if a Client had not entered into any hedging transactions. There can be no assurance that any of these Hedging Instruments will be effective in mitigating the risk of fluctuations in rates that are being hedged. In the event of an imperfect correlation between a Hedging Instrument position and the portfolio position intended to be hedged, the desired protection may not be obtained, and a Client may be exposed to risk of loss. In addition, it may not be possible to hedge fully or perfectly against fluctuations affecting the value of a Client investment. Moreover, Hedging Instruments may not be available, available at a reasonable cost or available with a duration that matches the duration of the underlying Client investment. The successful use of these hedging strategies depends upon the availability of a liquid market and appropriate Hedging Instruments, and there can be no assurance that a Client will be able to close out a position when deemed advisable by CBRE IM. Hedging transactions also involve additional costs and expenses, which may adversely affect a Client's overall performance.

To the extent that the Client investments remain unhedged, the value of a Client's non-investor reference currency investments will fluctuate as a result of changes in exchange rates. To the extent that a Client does not hedge or hedging strategies are not effective, the obligations of a Client may increase, as a result of any exchange rate fluctuations between reference currency(ies) and the relevant local currency between the date of a Client's commitment to invest in a portfolio company and the date the transaction closes to acquire such portfolio company. A Client may, subject to its Organizational Documents, withhold or recall distributions in order to satisfy its obligations relating to its Hedging Instruments.

There can be no assurance that a Client will engage in hedging transactions at any given time or from time to time, that such transactions, if available, will be effective or that a Client will not sustain losses as a result of such activities. Any such hedging transactions will in all cases be subject to the Organizational Documents of the applicable Client(s).

**Short-Term Investments.** A portion of the capital contributions made by an investor in a Fund or SMA to a Client (including amounts held in cash reserves) may, subject to the Organizational Documents of the Client, be invested in short-term instruments (including treasury securities and

money market funds) pending investment by a Client. During such interim periods these short-term investments may produce lower returns for investors in a Client than the returns earned by portfolio companies for the same period.

**Failure to Fund Commitments.** Investments in portfolio companies may include commitments to make capital contributions to meet capital calls over an extended period of time. Failure by an investor in a Client to fund one or more of its capital contributions when due could result in the failure of a Client to meet a capital call of a portfolio company, which could have material and adverse consequences for a Client (including the possibility of forfeiture of a Client's interest in such portfolio company) and, thus, for the other investors in a Client (including the possibility of making additional contributions to a Client to replace such shortfall). A default by a substantial number of investors in a Client or by one or more investors in a Client who have made substantial commitments would limit opportunities for investment diversification, impair a Client's ability to complete its investment program and continue operations and may reduce returns to the investors in a Client. If an investor in a Client fails to fund any of its commitment when required, CBRE IM may, among other things, repurchase the units held by such defaulting investor in a Client at a substantial discount and cancel the remaining balance of such defaulting investor in a Client's commitment pursuant to the terms of the Organizational Documents. CBRE IM, in its sole discretion, may take any of a number of actions to avoid such adverse consequences (including limiting the number or size of the overall commitments made by a Client). Failure by an investor in a Client to meet a fund capital call could result in material and adverse consequences for such investor in a Client.

**Valuation of Portfolio Investments.** Typically, a Client will invest in securities that are generally illiquid and will most likely not be publicly traded or readily marketable. Given the nature of the proposed investments of Clients, valuation may be difficult. There may be a relative scarcity of readily ascertainable market prices or market comparable on which to base the value of a Client's assets. CBRE IM will value a Client's assets in good faith in accordance with its Valuation Policy. However, the procedures for valuation in the Valuation Policy are subjective in nature, may not conform to any particular industry standards (if any such industry standards exist) and may not reflect actual values at which the assets are ultimately realized. Furthermore, assumptions made in a valuation may subsequently prove to be incorrect.

As a result of the illiquidity of a substantial portion of the Clients' interests in portfolio companies, a Client can provide no assurance that a Client's interest in any given portfolio company could be sold at a price equal to the market value ascribed to such portfolio company in connection with CBRE IM's valuation thereof.

Valuations of a Client's portfolio companies will affect the amount of fees received by CBRE IM, among other things, and may involve uncertainties and judgmental determinations. The value of each portfolio company will be established by CBRE IM in accordance with the Valuation Policy. CBRE IM may amend the Valuation Policy from time to time.

The exercise of discretion in valuation by CBRE IM gives rise to conflicts of interest: valuations (including, for instance, determination of when an investment should be written down or written off) impact CBRE IM's track record, and the performance allocation with respect to certain Clients

is calculated based, in part, on these valuations, and such valuations affect the amount and timing of performance fees and calculation of Management Fees.

**Recent Financial Market Fluctuations.** Various sectors of the U.S. and global financial markets and the broader current financial environment have been, and continue to be, characterized by uncertainty, volatility and instability. The financial services industry generally and investment activities are affected by general economic and market conditions, including interest rates, availability of credit, lack of price transparency, inflation rates, economic uncertainty, changes in tax and other applicable laws and regulations, trade barriers, national and international and environmental and socioeconomic circumstances. These financial market fluctuations have the tendency to reduce the availability of attractive investment opportunities for Clients and may affect Clients' ability to make investments and the value of the investments held by Clients. Instability in the securities markets and economic conditions generally may also increase the risks inherent in Clients' investments. The public securities markets have seen increased volatility, and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by the tightening of the credit markets and the ongoing financial turmoil. It is unclear what the repercussions of this market turmoil may be. Moreover, it remains unknown whether governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) will have a positive or negative effect on market conditions. There can be no assurance that the market will, in the future, become more liquid than it is at present, and it may well continue to be volatile for the foreseeable future. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. In the past, many private equity funds have looked to the public securities markets as a potential exit strategy, and there can be no assurance, particularly given the recent volatility in the financial markets and a potential lack of investor appetite for new issues in the public securities markets, that Clients will be able to exit from their investments by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable a Client to sell these securities when CBRE IM believes it is most advantageous to do so, or without adversely affecting the stock price. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of Clients to buy, sell and partially dispose of their portfolio company investments. Clients may be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid or volatile market, and a Client may find itself unable to dispose of investments at prices that CBRE IM believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted, and there can be no assurances that conditions in the financial markets will not worsen or adversely affect one or more of a Client's investments.

**Cybersecurity Risk.** CBRE IM, the Clients' service providers and other market participants depend on complex and often interconnected information technology and communications systems to conduct business functions. These systems are subject to a number of different threats and other risks that could adversely affect the Clients and their investors, despite the efforts of CBRE IM and the Clients' service providers to adopt technologies, processes and procedures intended to

mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the security, confidentiality, integrity and availability of information belonging to a Fund or SMA and their investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, encrypt or otherwise prevent access to these systems of CBRE IM, the Clients' service providers and counterparties, as well as the data stored by these systems, including investor information. CBRE IM and the Clients' service providers may be subject to ransomware or other attacks that could cause a substantial business disruption or loss of availability of data that could prevent the Client and CBRE IM from executing its investment strategy or accessing an account, which could lead to financial losses. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of CBRE IM's systems to disclose sensitive information in order to gain access to CBRE IM's data or that of the Clients' investors or to transfer funds to unauthorized third parties. A successful penetration or circumvention of the security of CBRE IM's systems by unauthorized third parties could result in the loss or theft of an investor's 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 Clients, CBRE IM or their service providers to incur regulatory penalties, reputational damage, additional compliance costs, increased insurance premiums or financial loss. In addition, CBRE IM may incur substantial costs related to investigation and remediation of a cybersecurity incident; increasing and upgrading cybersecurity protections including its administrative, technical, organizational and physical controls; acts of identity theft; unauthorized use or loss of proprietary information; adverse investor reaction; increased insurance premiums or difficulties obtaining insurance coverage; or litigation, regulatory actions or other legal risks.

Similar types of operational and technology risks are also present for the companies in which the Clients invest, which could have material adverse consequences for such companies, and may cause the Clients' investments to lose value.

**Risks of Artificial Intelligence ("AI").** CBRE IM's ability to use, manage and aggregate data may be limited by the effectiveness of its policies, systems and practices that govern how data is acquired, validated, used, stored, protected, processed and shared. Failure to manage data effectively and to aggregate data in an accurate and timely manner may limit CBRE IM's ability to manage current and emerging risks, as well as to manage changing business needs and to adapt to the use of new tools, including AI. While CBRE IM may restrict certain uses of third-party and open source AI tools, such as ChatGPT, CBRE IM's employees and consultants and a Client's portfolio companies may use these tools, which poses additional risks relating to the protection of CBRE IM's and such portfolio companies' proprietary data, including the potential exposure of CBRE IM's or such portfolio companies' confidential information to unauthorized recipients and the misuse of CBRE IM's or third-party intellectual property, which could adversely affect CBRE IM, a Client or its portfolio companies. Use of AI tools may result in allegations or claims against CBRE IM, a Client or its portfolio companies related to violation of third-party intellectual property rights, unauthorized access to or use of proprietary information and failure to comply with open-source software requirements. Additionally, AI tools may produce inaccurate, misleading or incomplete responses that could lead to errors in CBRE IM's and its employees' and consultants' decision-making, portfolio management or other business activities, which could have a negative impact on CBRE IM or on the performance of a Client and its portfolio companies.

Such AI tools could also be used against CBRE IM, a Client or its portfolio companies in criminal or negligent ways. As the use and availability of AI tools has grown, the U.S. Congress and a number of U.S. federal and state agencies have been examining the AI tools and their use in a variety of industries, including financial services. These agencies have issued, proposed or adopted a variety of rules and other guidance regarding the use of AI. AI similarly faces an uncertain regulatory landscape in many foreign jurisdictions. Ongoing and future regulatory actions with respect to AI generally or AI's use in any industry in particular may alter, perhaps to a materially adverse extent, the ability of CBRE IM, a Client or its portfolio companies to utilize AI in the manner it has to date, and may have an adverse impact on the ability of CBRE IM, a Client or its portfolio companies to continue to operate as intended.

**Tax Reform Risks.** Tax law is subject to change, and various historic and current legislative proposals could affect a Fund or SMA and the investors. Under current law, capital gains in respect of a general partner's right to carried interest will be subject to a three-year "holding period" in order to be classified as "long-term capital gains," while the corresponding holding period requirement with respect to capital gains that a Fund or SMA investors are allocated is one year. This carried interest holding period requirement could affect investment decisions, including the timing and structure of dispositions and other realization events, and it could adversely impact returns for investors. For example, the holding period requirement may incentivize the general partner to cause a Fund or SMA to hold an investment for longer than three years in order for the general partner to obtain a preferential tax rate on carried interest, even if there are attractive realization opportunities prior to that time. Further, there are currently administrative and legislative proposals to further change the tax treatment of "carried interest" in ways that may be adverse to partners in a Fund or SMA's general partner. A Fund or SMA's general partner and CBRE IM may take these potential adverse consequences into account in their management and operation of the Funds and SMAs and in addressing these adverse consequences, the interests of the general partner and CBRE IM, on one hand, may diverge from the interests of the investors, on the other hand.

**Possibility of Fraud and Other Misconduct of Employees and Service Providers.** Misconduct by employees of CBRE IM, service providers to CBRE IM or the Clients and/or their respective affiliates could cause significant losses to such Clients. Misconduct may include entering into transactions without authorization; failure to comply with operational and risk procedures, including due diligence procedures; misrepresentations as to investments being considered by such Clients; the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such Clients; and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such Clients. CBRE IM has controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that CBRE IM will be able to identify or prevent such misconduct.

**Coronavirus Outbreak Risks.** The 2019 novel coronavirus ("COVID-19") has meaningfully disrupted the global economy and markets. The global impact of COVID-19 has been evolving over the course of the pandemic and, at different points of time has, and may to continue to have, ongoing material adverse effects across many, if not all, aspects of the regional, national and global

economy. The spread of COVID-19 among CBRE IM's personnel and its service providers would also significantly affect CBRE IM's ability to properly oversee the affairs of Clients (particularly to the extent such impacted personnel include key investment professionals or other members of senior management). The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve.

**Benchmark Rate Risk.** Prior to June 30, 2023, certain bonds and loans held by the Funds may have had floating interest rates based on the London Inter Bank Offered Rate ("**LIBOR**"). LIBOR is an estimate of the interest rates to borrow U.S. dollars, sterling, euros and certain other currencies in the London unsecured interbank market, and was widely used as a reference for setting the interest rate on loans, bonds and derivatives globally. Consistent with prior announcements by the United Kingdom's Financial Conduct Authority ("**FCA**"), the representative settings for all Swiss franc, euro, British pound sterling, Japanese yen, and U.S. dollar LIBORs are no longer available as of June 30, 2023, while synthetic 3-month British pound sterling LIBOR and 1-, 3- and 6-month U.S. dollar LIBOR settings are expected to cease at the end of March 2024 and September 2024, respectively.

On March 15, 2022, the United States enacted the Adjustable Interest Rate (LIBOR) Act of 2021 ("**LIBOR Act**"). The federal LIBOR Act preempts similar state legislation (including that enacted in New York) and provides one national approach for replacing U.S. dollar LIBOR as a reference interest rate in certain contracts, including those with no fallback provisions or with fallback provisions that identify neither a specific replacement rate nor a "determining person" as defined in the legislation, once U.S. dollar LIBOR is no longer published or is no longer representative. The U.S. Federal Reserve (the "**Federal Reserve**") has adopted the final rule that implements the LIBOR Act, which established certain Secured Overnight Financing Rate ("**SOFR**")-based benchmark replacements for contracts governed by U.S. law that reference overnight and one-, three-, six- and 12-month tenors of U.S. dollar LIBOR that do not have suitable fallback provisions after June 30, 2023.

As a result of the transition away from LIBOR as a benchmark reference for interest rates, certain bonds and loans held by the Clients may have floating interest rates based on SOFR or, if otherwise provided in the underlying contracts, other alternative benchmark rates.

**SOFR Risk.** SOFR is a relatively new index rate calculated based on short-term repurchase agreements backed by U.S. Treasury Instruments. While LIBOR is an unsecured rate, SOFR is a secured rate. SOFR, unlike LIBOR, reflects actual market transactions. Accordingly, SOFR is not the economic equivalent of LIBOR. Consequently, there can be no assurance that SOFR will perform in the same way as LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, monetary policy, bank credit risk, market volatility or global or regional economic, financial, political, regulatory, judicial or other events.

Additionally, because SOFR is published by the Federal Reserve Bank of New York (the "**New York Fed**") based on data received from other sources, we have no control over its determination, calculation, or publication. There can be no assurance that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of the Clients. If the

manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on SOFR-linked floating rate instruments and the trading prices of such instruments. Additionally, daily changes in SOFR have, on occasion, been more volatile than daily changes in other benchmark or market rates. Although occasional, increased daily volatility in SOFR would not necessarily lead to more volatile interest payments, the return on and value of SOFR-linked floating rate instruments may fluctuate more than floating rate instruments that are linked to less volatile rates. All of the foregoing risks may affect the performance of the applicable bonds and loans in which the Clients invest, which in turn may adversely affect the performance of the Clients.

**Alternative Benchmark Rate Risk.** As stated above, some of the bonds and loans held by the Clients may have floating interest rates based on alternative benchmark rates other than SOFR. Such alternative benchmark rates, like SOFR, may not have been widely used by market participants until relatively recently, and they may not perform in exactly the same way as LIBOR because they are calculated and administered differently. Generally, the use of alternative benchmark rates (including SOFR) may (i) cause the value of the interest rate on such bonds and loans to be uncertain or to be lower or more volatile than it would otherwise be, (ii) result in uncertainty as to the functioning, liquidity or value of such bonds and loans, and/or (iii) involve actions of regulators or rate administrators that may adversely affect certain markets or contracts underlying such bonds and loans. All of the foregoing could adversely affect the return on and value of the related floating rate instruments in which the Clients invest.

**United Kingdom Exit from the European Union.** The United Kingdom left the European Union on January 31, 2020 (commonly referred to as “**Brexit**”). During an 11-month transition period, the United Kingdom and the European Union agreed to a Trade and Cooperation Agreement which sets out the agreement for certain parts of the future relationship between the European Union and the United Kingdom from January 1, 2021. The Trade and Cooperation Agreement does not provide the United Kingdom with the same level of rights or access to all goods and services in the European Union as the United Kingdom previously maintained as a member of the European Union and during the transition period. In particular the Trade and Cooperation Agreement does not include an agreement on financial services, which is yet to be agreed. Accordingly, uncertainty remains in certain areas as to the future relationship between the United Kingdom and the European Union.

From January 1, 2021, European Union laws ceased to apply in the United Kingdom. However, many European Union laws have been transposed into English law, and these transposed laws will continue to apply until such time that they are repealed, replaced or amended. Depending on the terms of any future agreement between the European Union and the United Kingdom on financial services, substantial amendments to English law may occur, and it is impossible to predict the consequences on the Clients and their investments. Such changes could be materially detrimental to investors.

Although one cannot predict the full effect of Brexit, it could have a significant adverse impact on the United Kingdom, European and global macroeconomic conditions and could lead to prolonged political, legal, regulatory, tax and economic uncertainty. This uncertainty is likely to continue to impact the global economic climate and may impact opportunities, pricing, availability and cost



of bank financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the United Kingdom or the European Union, including companies or assets held or considered for prospective investment by the Clients.

The future application of European Union-based legislation to the private fund industry in the United Kingdom and the European Union will ultimately depend on how the United Kingdom renegotiates the regulation of the provision of financial services within and to persons in the European Union. There can be no assurance that any renegotiated terms or regulations will not have an adverse impact on the Clients and their portfolio companies, including the ability of the Clients to achieve their investment objectives. Brexit may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management due in part to redenomination of financial assets and liabilities, an adverse effect on the ability of CBRE IM to manage, operate and invest on behalf of Clients and increased legal, regulatory or compliance burden for CBRE IM and/or the Clients, each of which may have a negative impact on the operations, financial condition, returns or prospects of the Clients.

Areas where the uncertainty created by the United Kingdom's withdrawal from the European Union is relevant include, but are not limited to, trade within Europe, foreign direct investment in Europe, the scope and functioning of European regulatory frameworks (including with respect to the regulation of alternative investment fund managers and the distribution and marketing of alternative investment funds), industrial policy pursued within European countries, immigration policy pursued within European Union countries, the regulation of the provision of financial services within and to persons in Europe and trade policy within European countries and internationally. The volatility and uncertainty caused by the withdrawal may adversely affect the value of the Clients' portfolio companies and the ability to achieve the investment objectives of the Clients.

**Russian Invasion of Ukraine.** On February 21, 2022, Russian President Vladimir Putin ordered the Russian military to invade two regions in eastern Ukraine (the Donetsk People's Republic and Luhansk People's Republic regions) and shortly thereafter commenced a full-scale invasion of Russia's pre-positioned forces into Ukraine. This has led various countries (including the United States) to issue sanctions against Russia and against certain foreign individuals and national leaders who have supported Russia's invasion of Ukraine. Further sanctions may be forthcoming. Russia's invasion of Ukraine, related cyberattacks, the displacement of persons both within Ukraine and to neighboring countries and the increasing international sanctions could have a negative impact on various economies and business activity globally, and therefore could adversely affect the performance of the Clients' investments. Furthermore, given the ongoing and evolving nature of the conflict and its ongoing escalation, it is difficult to predict the conflict's ultimate impact on global economic and market conditions, and, as a result, the situation presents material uncertainty and risk with respect to the Clients' and the performance of their investments or operations, and the ability of the Clients to achieve their investment objectives.

**Israel-Hamas War.** On October 7, 2023, the Hamas militant group breached the fences separating Israel and Gaza and carried out a violent terrorist attack. The foregoing attack sparked an armed

conflict, which is currently ongoing, between Hamas and other Palestinian militant groups and Israel, known as the 2023 Israel-Hamas war. Although since the establishment of the State of Israel a state of hostility has existed in varying degrees of intensity between various Arab countries and Israel, the current conflict between Israel and Hamas has escalated to a heightened level not seen in recent years and may escalate further. Additionally, while Israel has entered into peace agreements with both Egypt and Jordan, and several other Middle Eastern and North African countries have normalized relations with Israel, the 2023 Israel-Hamas war has created tremendous unrest and uncertainty in the region, which may threaten any such peace agreements. A further expansion of the hostilities between Israel and Palestine could have significant international ramifications. The 2023 Israel-Hamas war could potentially have a significant adverse impact and result in significant losses to the Funds, including those described above in “Russian Invasion of Ukraine.” The ultimate impact of the Israel-Hamas war and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country, and the duration and severity of those effects are impossible to predict.

**Custody and Banking Risks.** The Clients will maintain funds with one or more banks or other depository institutions (“banking institutions”), which may include U.S. and non-U.S. banking institutions, and may enter into credit facilities or have other financial relationships with banking institutions. The distress, impairment or failure of one or more banking institutions with whom the Clients, their portfolio companies, and/or CBRE IM transact may inhibit the ability of the Clients or their portfolio companies to access depository accounts or lines of credit at all or in a timely manner. In such cases, the Clients may be forced to delay or forgo investments or to call capital when it is not desirable to do so, resulting in lower performance for the Clients. In the event of such a failure of a banking institution where a Client or one or more of its portfolio companies holds depository accounts access to such accounts could be restricted and U.S. Federal Deposit Insurance Corporation (FDIC) protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to banking institutions in other jurisdictions not subject to FDIC protection). In such instances, the Clients and their affected portfolio companies may not recover such excess, uninsured amounts and instead, would only have an unsecured claim against the banking institution and participate pro rata with other unsecured creditors in the residual value of the banking institution’s assets. The loss of amounts maintained with a banking institution or the inability to access such amounts for a period of time, even if ultimately recovered, could be materially adverse to the Clients or their portfolio companies. One or more investors or a Client could also be similarly affected and unable to fund capital calls, further delaying or deferring new investments. In addition, a Client may not be able to identify all potential solvency or stress concerns with respect to a banking institution or to transfer assets from one bank to another in a timely manner in the event a banking institution comes under stress or fails.

## **Item 9 - Disciplinary Information**

Neither CBRE IM nor its professional staff have been subject to legal or disciplinary events that required disclosure under this item.

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

CBRE IM is an investment firm focused on private markets investment advisory and management services. The firm is not registered (and does not have any application pending) as a securities broker-dealer, a futures commission merchant, commodity pool operator or commodity trading adviser. In addition, none of the Firm's management persons are representatives of a broker-dealer or any other regulated securities entities.

By virtue of common ownership under CBRE, CBRE IM is affiliated with several types of entities, including, but not limited to a broker-dealer, other investment advisers, a real estate broker, and a sponsor, general partner, managing member, or syndicator of private funds and other pooled investment vehicles. Specifically, CBRE IM is part of the CBRE IM Parent business line, which includes several advisers. Further, certain executives within CBRE IM Parent participate in governance activities for CBRE IM.

Many of these affiliations are not material to our advisory business or our clients. Significant affiliations are identified in Part 1 of CBRE IM's Form ADV.

### Broker-Dealer

CBRE IM from time to time engages its affiliated, FINRA-registered affiliated broker-dealer, CBRE Capital Advisors, Inc. to market limited partnership and similar interests in Funds sponsored by CBRE IM.

### Investment Advisers

CBRE IM is affiliated with CBRE IM Parent and its affiliated investment advisers, and some of these advisers are separately registered with the SEC or are exempt reporting advisers. Further, some of these advisers are registered in their local jurisdiction.

### General Partners and Related Entities

CBRE IM forms affiliates to act as the general partner, adviser, manager or similar role for particular Funds and SMAs.

### Potential Conflicts

For a description of certain conflicts of interest created by the relationships among CBRE IM and the parties described above, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

### Code of Ethics

CBRE IM has developed a compliance manual (the "**Compliance Manual**") and a code of ethics that is consistent with SEC requirements (the "**Code of Ethics**") as well as The Code of Ethics and The Standards of Professional Conduct as published by the CFA Institute to ensure its professional staff will comply with applicable securities laws and regulations when engaged to provide private

markets advisory services to clients. The Compliance Manual and the Code of Ethics set forth procedures and restrictions regarding personal trading and related activities of CBRE IM's professional staff that are designed to detect and prevent conflicts of interest between CBRE IM and its Clients.

CBRE IM's Code of Ethics includes:

- Standards of business conduct required of its supervised persons, which standards reflect its fiduciary obligations and those of our supervised persons;
- Provisions requiring its supervised persons to comply with applicable securities laws;
- Provisions requiring supervised persons to report any violations of the Code of Ethics to the Chief Compliance Officer or, provided the Chief Compliance Officer also receives reports of all violations, to other persons that are designated in the Code of Ethics;
- Provisions requiring it to provide each of its supervised persons with a copy of the Code of Ethics and any amendments, and requiring all supervised persons to provide it with a written acknowledgement of their receipt of the Code of Ethics; and
- Provisions requiring access persons to obtain approval before directly or indirectly acquiring beneficial ownership in any security in an initial public offering or private placement.

A copy of CBRE IM's Code of Ethics will be provided to Clients or prospective clients upon request.

#### Participation or Interest in Client Transactions

Certain employees and affiliates of CBRE IM may invest in and alongside Funds and SMAs, either through the general partners as direct investors in Funds or SMAs or otherwise. A Fund or its general partner, as applicable, may reduce all or a portion of the Management Fee and carried interest related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see "Certain Conflicts of Interest" immediately below.

Due in part to the fact that potential investors in a Fund or a co-investment opportunity (see below) may ask different questions and request different information, CBRE IM in certain circumstances provides certain information to one or more prospective investors that it does not provide to all of the current or prospective investors.

#### Certain Conflicts of Interest

CBRE IM and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Client will, from time to time, conflict with the interests of CBRE IM, other Clients or their respective affiliates.

Certain of these conflicts of interest, as well as a description of how CBRE IM addresses such conflicts of interest, can be found below.

The material conflicts of interest encountered by a Client include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Client. Other conflicts may be disclosed throughout this brochure, and the brochure should be read in its entirety for other conflicts.

In all situations described or contemplated herein, conflicts will be resolved in the sole discretion of CBRE IM or one of its affiliates. The resolution of any such conflict could have an adverse impact on one or more fund(s) and their performance.

#### *Allocation of Investment Opportunities Among Clients*

CBRE IM recognizes that potential conflicts of interest can and do arise with respect to the allocation of investment opportunities between CBRE IM's various Clients. CBRE IM has established an Allocation Policy, as further described above in Item 6 - Performance-Based Fees and Side-By-Side Management. When an investment opportunity meets the investment guidelines of more than one mandate and there is a limit to the size of the investment opportunity, CBRE IM applies its Allocation Policy to ensure the allocation is made in a fair, equitable and transparent manner. A copy of CBRE IM's Allocation Policy will be provided to Clients or prospective clients upon request. Allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process. For example, in allocating an investment opportunity among Clients with differing fee, expense and compensation structures, CBRE IM has an incentive to allocate investment opportunities to the Clients from which CBRE IM or its related persons derive, directly or indirectly, higher fees, compensation or other benefits. While CBRE IM determines how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Client's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which CBRE IM is subject, discussed herein, did not exist. There can be no assurance any Client will be allocated any investment opportunity within its investment objectives. In addition, a Client with a different investment strategy than another Client can be expected from time to time to invest in the same investment opportunity as another Client at a different time or on different terms and conditions, including at a different level of the capital structure.

While CBRE IM will generally first determine the appropriate amount of an investment opportunity to be allocated to a Client before allocating any portion of such investment opportunity to one or more co-investors, CBRE IM may, in its sole discretion, offer to one or more investors and/or one or more third parties the ability to participate in such opportunity as a co-investor on such terms and conditions as CBRE IM determines.

CBRE IM recognizes that potential conflicts of interest could arise with respect to its direct and indirect infrastructure investments. The SMAs managed by and the Advisory Clients advised by CBRE IM's indirect infrastructure team may invest in third-party funds that are competitors of CGIF and such funds and CGIF may compete for infrastructure investment opportunities with such third-party funds. CBRE IM has established practices to ensure that any potential conflicts of

interests between direct and indirect infrastructure investment opportunities are handled fairly and with integrity.

In addition, Adviser Personnel invest indirectly in the Funds and therefore participate indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund and may create an incentive to allocate particularly attractive investment opportunities to the Fund in which such personnel hold a greater interest. The existence of these varying circumstances presents conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund. For example, additional conflicts could arise to the extent CBRE IM and/or its affiliates, or Adviser Personnel, hold an outsized economic position in any of the participating Funds such that the decision to participate in the investment opportunity by other Funds, such as providing debt financing to a finance business that is owned by a Fund in which CBRE IM and/or its affiliates, or Adviser Personnel, hold a substantial portion of the limited partnership interests of such Fund. In such cases, CBRE IM could be incentivized to manage such arrangements in a manner that would enhance the returns of the Funds in which CBRE IM and/or its related parties hold a substantial portion of the equity, even to the detriment of other Funds.

CBRE IM and/or a Client may invest in the securities offerings of a portfolio held by another Fund (including through initial public offerings), which would result in the Adviser and/or a Fund receiving an allocation of portfolio company securities. In addition to conflicts of interest arising from the allocation of such securities, this arrangement also leads to similar conflicts described below under “Conflicts Related to Purchases and Sales.”

A conflict also arises in allocating an investment opportunity if the potential investment target could be acquired by either a Client or a portfolio company of another Client. In making such an allocation determination, CBRE IM will make a determination in its good faith discretion.

#### *Allocation of Co-Investment Opportunities and Secondary Transactions*

CBRE IM will determine if the amount of an investment opportunity exceeds the amount CBRE IM determines would be appropriate for the Clients (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisers to CBRE IM and/or the Clients or management teams of the applicable portfolio company, certain strategic investors and other investors whose allocation is determined by CBRE IM to be in the best interest of the applicable Client), and any such excess may be offered to one or more co-investors pursuant to the procedures included in such Clients’ Organizational Documents or, to the extent not addressed in such Clients’ Organizational Documents, in accordance with the following paragraphs. There may be circumstances where CBRE IM determines, for strategic or other reasons, the amount that could have otherwise been invested by a particular Client is instead allocated to one or more co-investors.

A Fund or SMA’s general partner and its affiliates are permitted to make capital commitments and/or contributions to co-investment opportunities and co-investment vehicles investing alongside the Funds or SMAs. Any such amounts typically reflect excess investment capacity that is unclaimed by a Fund or SMA, and do not reduce the amount of such co-investment otherwise available.

Subject to any investment allocation requirements or other specific provisions of any applicable Organizational Documents, in general, (i) no investor in a Fund or SMA has a right to participate in any co-investment opportunity, and investing in a Fund does not give an investor any rights, entitlements or priority to co-investment opportunities, (ii) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of CBRE IM or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities typically will be offered to some and not other investors in the Funds or SMAs, in the sole discretion of CBRE IM or its related persons, investors may be offered a smaller amount of co-investment opportunities than originally requested and an investor may be offered fewer co-investment opportunities than other investors in the same Fund or SMA, with the same, larger or smaller capital commitments to such Fund or SMA, (iv) certain persons other than investors in the Funds or SMAs (e.g., other Clients managed by CBRE IM's, consultants, joint venture partners, Adviser Investors, persons associated with a portfolio company and other third parties, including persons who CBRE IM believes will provide a benefit to a Fund or SMA and/or one or more portfolio companies or who provide a strategic sourcing or similar benefit to CBRE IM, a Fund or SMA, and/or a portfolio company and one or more of their respective affiliates, due to industry or regulatory expertise or otherwise), rather than one or more investors in a Fund or SMA, will, from time to time be offered co-investment opportunities, in the sole discretion of CBRE IM or its related persons, and (v) co-investors may purchase their interests in a portfolio company at the same time as the Client or may purchase their interests from the applicable Client after such Clients have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer). Each co-investment opportunity (should any exist) is likely to be different, and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation (e.g., timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). Additionally, non-binding acknowledgements of interest in co-investment opportunities are not Investment Allocation Requirements and do not require CBRE IM to notify the recipients of such acknowledgements if there is a co-investment opportunity. However, CBRE IM from time to time agrees to give particular investors, Clients, or other third parties priority access to co-investment opportunities. The existence of such priority or other contractual co-investment access rights could affect CBRE IM's decision to offer certain opportunities for co-investment and could limit the ability of Clients or their investors to be offered certain co-investment opportunities.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among the Clients and other potential co-investors, CBRE IM will do so in accordance with its Allocation Policy. In doing so, it may consider some or all of a wide range of factors, which include, but are not limited to, its own interests and/or one or more of the following:

- CBRE IM's evaluation of the size and financial resources of the potential co-investment party and CBRE IM's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise, and other resources or similar synergies) to efficiently and expeditiously participate in the investment opportunity with the relevant Client(s) without harming or otherwise prejudicing such Client(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case (including whether the potential co-investment party has a complicated tax structure that would

require particular structuring implementation or covenants that would not otherwise be required);

- Any confidentiality concerns CBRE IM has that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- Whether a potential co-investment party has a history of participating in opportunities and CBRE IM's perception of its past experiences and relationships with that potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by CBRE IM and the expected amount of negotiations required in connection with a potential co-investment party's commitment;
- The character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry);
- Level of demand for participation in such co-investment opportunity;
- The ability of a potential co-investment party to aid in operating or monitoring a portfolio company or the possession of certain expertise by a potential co-investment party and the potential co-investment party's relationship with the management team of the potential portfolio company and whether the potential co-investment party has any existing positions in the portfolio company;
- The extent to which a potential co-investment party has been provided a greater amount of co-investment opportunities relative to others;
- Whether the potential co-investment party would require any governance rights that would complicate the transactions (or, alternatively, whether the potential co-investment party would be willing to defer to CBRE IM and assume a passive role in governing a portfolio company);
- Any interests a potential co-investment party has in any competitors of the portfolio company;
- The ability of a potential co-investment party to hold investments for longer periods of time (or indefinitely);
- CBRE IM's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, competitive, confidentiality, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;



- CBRE IM's evaluation of whether a particular potential co-investment party has provided value in the sourcing, establishing relationships, participating in diligence and/or negotiations for such potential transaction or is expected to provide value to the business or operations of a portfolio company post-closing;
- CBRE IM's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Clients to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which a Client wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Client being able to capitalize on a potential investment opportunity);
- Whether the potential co-investment party will make commitments to invest in a Fund or SMA, (including concurrently with the applicable co-investment) as well as commitments to future funds raised by CBRE IM;
- Whether the co-investment opportunity is being provided in connection with a potential investment in or acquisition of interests through a secondary transfer of the Clients (i.e., a stapled co-investment opportunity); and
- Whether CBRE IM believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits (including strategic, sourcing or similar benefits) to current or future Clients and/or CBRE IM and whether the potential co-investment party has demonstrated a long-term and/or continuing commitment to the potential success of the current or future Funds and/or CBRE IM.

The factors above are not listed in order of importance or priority and CBRE IM is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances. CBRE IM's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Clients, potential co-investors, Adviser Investors and third parties, and in the manner discussed above, often will not result in proportional allocations among such persons, and such allocations often will be more or less advantageous to some such persons relative to other such persons. For example, CBRE IM may be incentivized to offer a co-investment opportunity to certain persons over others based on its economic arrangement with such persons (including, for example, whether CBRE IM and its affiliates are entitled, under arrangements made with certain potential co-investment parties, to additional Management Fees and/or carried interest based on the availability of co-investment opportunities offered to such parties). CBRE IM expects that these factors will lead CBRE IM to favor some potential co-investors over others with respect to the frequency with which CBRE IM offers them co-investment opportunities. CBRE IM also may allocate certain co-investors a greater proportion of an investment opportunity than others as a result of these factors.

In the event CBRE IM determines to offer an investment opportunity to co-investors, there can be no assurance that CBRE IM will be successful in offering a co-investment opportunity to a

potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Client or that expenses incurred by the Client with respect to the syndication of the co-investment will not be substantial, and the Clients bear the risk that any or all excess portion of an investment is not sold or is sold on unattractive terms. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of a Client and as a result, may take a different view from CBRE IM as to appropriate strategy for an investment or may be in a position to take a contrary action to a Client's investment objective. In the event that CBRE IM is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Client may consequently hold a greater concentration and have more exposure in the related investment opportunity than was initially intended and would bear the entire portion of any fees, costs and expenses related to such investment, which could make the Client more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. An investment that is not syndicated to co-investors as originally anticipated could significantly reduce a Client's overall investment returns. Therefore, it is possible that a Client that overcommits to an investment will bear a disproportionate allocation of the risks associated with the transaction without being compensated for assuming such risks.

CBRE IM or its affiliates may establish dedicated co-investment vehicles for specific investors in order to facilitate investments by the relevant investors as co-investment parties alongside a Client that may have more favorable rights and/or terms than the Clients and/or other co-investors. Any such vehicle will be established at CBRE IM or its affiliates' sole discretion and CBRE IM and its affiliates have no obligation to offer a similar opportunity to any other investor.

In addition, to the extent CBRE IM has discretion over a secondary transfer of interests in a Client pursuant to such Client's Organizational Documents, or is asked to identify potential purchasers in a secondary transfer, CBRE IM will do so in its sole discretion, generally taking into account the following factors:

- CBRE IM's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- CBRE IM's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future clients and/or CBRE IM and the expected amount of negotiations required in connection with a potential purchaser's investment;
- Whether the potential purchaser would subject CBRE IM, the applicable Client, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens;
- A potential purchaser's investment into another Fund or SMA (including any commitment into a future fund);
- Requirements in such Client's Organizational Documents; and

- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

### *Conflicts Related to Purchases and Sales*

Clients from time to time invest in conjunction with an investment being made by other Clients or a client of CBRE IM's affiliate, or in a transaction where another Client or client of such an affiliate has already made an investment. Conflicts may arise in connection with such investments.

Investment opportunities are from time to time appropriate for more than one Client and/or clients of CBRE IM's affiliate at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts arise in determining the terms of investments, particularly where these clients may invest in different types of securities in a single portfolio company. Questions arise as to whether payment obligations and covenants should be enforced, modified or waived, whether payments should be accelerated, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, the terms of any work-out or restructuring or other concessions that may be given in such a situation raise conflicts of interest, and CBRE IM may be incentivized to choose a course of action that benefits one Client to the detriment of another Client.

In the event that one Client has a controlling or significantly influential position in a portfolio company, it will have the ability to elect some or all of the board of directors of such a portfolio company, thereby controlling the policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition, a controlling Client is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of such a company. Such management and operational decisions may, at times, be in direct conflict with other Clients and/or clients of CBRE IM's affiliate that have invested in the same portfolio company that do not have the same level of control or influence over the portfolio company.

Certain clients of CBRE IM and its affiliates may invest in bank debt and securities of companies in which other Clients hold securities, including equity securities. Equity holders and debt holders have different (and often competing) motives, incentives, liquidity goals and other interests with respect to a portfolio company. In the event that such investments are made by a Client, the interests of such Client will at times conflict with the interest of such other Client or client of CBRE IM's affiliate, particularly in circumstances where the underlying company is facing financial distress. In such instances, it may be in the best interest of the Client holding debt securities to declare a default, accelerate a loan or take other protective actions, while such actions would harm another Client's equity investment in the portfolio company. The involvement of such Clients at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Funds or clients of CBRE IM's affiliate may be prohibited from exercising voting or other rights and may be subject to claims by other creditors with respect to the subordination of their interest.

If additional capital is necessary as a result of financial or other difficulties of a portfolio company, or to finance growth or other opportunities, the Clients may or may not provide such additional capital, and, if provided, each Client will supply such additional capital in such amounts, if any, as determined by CBRE IM. In the event one Client is unable to fund its share of additional capital (e.g., in the event such Client does not have sufficient available capital), the other Client may be obligated to fund more than its share of such amount. In such event, one Client will gain greater exposure to such investment than may have been intended and the other Client will be diluted in such investment. The returns of each Client may be negatively impacted as a result of the foregoing. Investments by more than one Client of CBRE IM or its affiliates in a portfolio company also raise the risk of using assets of a Client of CBRE IM or its affiliates to support positions taken by other Clients of CBRE IM or its affiliates, or that a Client may remain passive in a situation in which it is entitled to vote.

There may be differences in timing of entry into, or exit from, a portfolio company for reasons such as differences in strategy, or existing portfolio or liquidity needs. In addition, where more than one Client of CBRE IM (or its affiliates) invests in the same portfolio company, there can be no assurance that such parties will dispose of investments at the same time or on the same terms. Investments disposed of at different times will likely be disposed of at different valuations and, as a result, each Client may realize different returns as compared to the same investment held by another Client. These variations in timing may be detrimental to a Client. At the same time, if CBRE IM determines it is advisable for a Client to exit an investment at the same time as another Client of CBRE IM or its affiliates, the term of which may expire sooner than the former Client's, such Client may dispose of its interest earlier than it ordinarily would have and may, as a result, experience lower returns than it otherwise may have earned on such investments. In addition, investors may receive different consideration (for instance, one Client may receive cash whereas another Client may be provided the opportunity to receive distributions in kind) which may impact the realized return ultimately received by each Client.

In such circumstances described above, CBRE IM could take steps to reduce the potential conflicts of interest between the various Clients, including causing a Client to take certain actions that, in the absence of such conflict, it would not take (e.g., a Client may divest itself of an asset it otherwise may have retained, CBRE IM may establish information barriers, certain matters may be referred to an advisory committee or a third-party, or a Client may only invest in securities that seeks to align the interests with other investing Clients). Any such steps could have the effect of benefiting one Client or CBRE IM at the expense of another Client.

The application of a Client's Organizational Documents and CBRE IM's policies and procedures are expected to vary based on the particular facts and circumstances surrounding each investment by two or more Clients in different classes of an issuer's capital structure (as well as across multiple issuers or borrowers within the same overall capital structure) and, as such, there may be a degree of variation and potential inconsistencies, in the manner in which potential or actual conflicts are addressed.

From time to time CBRE IM may, in its discretion, enter into transactions with investors in one or more Clients, prospective investors in a Fund or SMA, co-investors or Adviser Investors to dispose of, or "sell down," all or a portion of certain investments held by one or more Clients. In exercising its discretion to select the purchaser(s) of such investments, CBRE IM will comply with the

requirements set forth in the Organizational Documents of the applicable Client(s), or to the extent not addressed in the Organizational Documents of the applicable Client(s), CBRE IM may consider some or all of the factors listed above under “*Allocation of Co-Investment Opportunities and Secondary Transactions.*” The sales price for such transactions will be mutually agreed to by CBRE IM and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by CBRE IM, and CBRE IM is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, which means CBRE IM may not obtain the highest price for the transaction. Furthermore, subject to the Organizational Documents, CBRE IM may charge (or may decide not to charge) a purchasing party interest costs for the time period between the closing of the applicable Client’s investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable purchasing party. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Client(s).

CBRE IM will, from time to time, enter into equity commitment arrangements whereby, subject to any applicable documentation, a Client agrees that upon the closing of a transaction with respect to a potential portfolio company, it will purchase equity securities in a transaction. Furthermore, in certain instances Clients will also enter into (a) limited guarantee arrangements whereby, subject to any applicable documentation, a Client agrees that if a transaction with respect to a potential portfolio company is not consummated, it will pay a percentage of the total value of the transaction as a “reverse termination fee” to the seller entity and (b) full guarantee arrangements where a Client agrees to close a transaction even if the debt financing for such transaction is not available or has not been funded. While certain co-investment vehicles with investments contractually tied to the Client (including co-investment vehicles through which Adviser Personnel participate) are generally obligated to pay their proportionate share of the equity purchase price (whether pursuant to the applicable Clients’ Organizational Documents or otherwise), such co-investment vehicles are generally not direct parties to the equity commitment arrangements or guarantees and, in any event, are not obligated to pay their proportionate share of any reverse termination fee. Therefore, in the unlikely event that a co-investment vehicle defaults on an arrangement with the Client to pay its proportionate share of the equity purchase price (if any) or such an arrangement does not exist, the Client would be held responsible for the entire equity purchase price or other applicable obligations.

The Clients, from time to time, co-invest with third parties through partnerships, joint ventures or other similar entities or arrangements. These investments may involve risks and conflicts that would not otherwise be present in investments where a third party is not involved. Such risks include, among other things, the possibility that the third party may have differing economic or business goals than those of the Client, or that the third party may be in a position to take actions that are inconsistent with the investment objectives of the Clients. There may also be instances where the Clients will be liable for the actions of such third-party co-investors. There can be no assurance that the return of a Client participating in a transaction with a third party would be equal to and not less than another Client participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

### *Principal Transactions*

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a “principal transaction”), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client’s consent to the transaction. In connection with CBRE IM’s management of the Clients, CBRE IM and its affiliates may engage in principal transactions. CBRE IM has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Client(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received.

### *Continuation Transactions*

From time to time CBRE IM may determine that it is in the best interest of a Client holding the investment (the “selling Client”) to transact with another Client (the “purchasing Client”) in order to provide the selling Client’s investors with an option to either: (1) receive cash proceeds from the selling Client’s sale or transfer of such portfolio company and/or (2) “roll” (i.e., retain) their interest in such portfolio company. These types of transactions are often referred to as “continuation transactions.” In connection with such continuation transactions, CBRE IM may require the investors in the purchasing Client to make an additional investment in a Client or commit to invest a future Client. In addition to those conflicts of interest described below under “*Cross Transactions*,” conflicts of interest arise in these continuation transactions because (i) CBRE IM and its affiliates are charging investors in the purchasing Client a Management Fee and carried interest (which economics are likely to be different than the selling Client) and the transactions have the potential to result in the receipt of additional Management Fees and carried interest by CBRE IM and its affiliates; (iii) CBRE IM and Adviser Personnel are expected to have the ability to make material investments in the purchasing Client, which may cause them to take actions that benefit the purchasing Client; (iv) CBRE IM is actively involved in negotiating the terms of the sale on behalf of the selling Client, on the one hand, and the purchasing Client, on the other hand (including allocation of expenses incurred in the transaction); and/or (v) of the requirement for an investor in the purchasing Client to make an investment in a Client or a commitment to invest in a future Client, which (a) incentivizes the Adviser to favor such investors because of the potential for the Adviser and its affiliates to earn additional Management Fee with respect to any such investment or commitment to invest, and (b) could affect the price such investors offer to purchase the asset from the selling Client. Additionally, conflicts of interest arise in continuation transactions as a result of the allocation of fees and expenses, because fees and expenses will be incurred in connection with the transaction, and CBRE IM might determine to allocate bankers’ fees and certain other fees and expenses solely to selling investors and not to the “rolling investors” or “new investors” in the purchasing Client or vice versa.

To the extent not addressed in a Fund’s Organizational Documents, CBRE IM will address conflicts of interest that arise in connection with continuation transactions as set forth below under “*Cross Transactions*.”

### *Cross Transactions*

CBRE IM from time to time causes its Clients to acquire or dispose of investments in cross trades with other Clients, i.e., to purchase investments from or sell investments to other Clients, in each case, provided that any such transaction is approved to the extent required by such Client's organizational documents or applicable law. In connection with a cross trade or a principal transaction, CBRE IM may have a potentially conflicting division of loyalties and responsibilities regarding the Clients 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 Client may not receive the best price otherwise possible, or CBRE IM might have an incentive to improve the performance of one Client by selling underperforming assets to another Client in order, for example, to earn fees. Additionally, in connection with such transactions, CBRE IM, its affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in the Client that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). To the extent a transaction is considered a principal transaction, CBRE IM will obtain consent from its Client as required.

### *Management of the Clients*

CBRE IM manages a number of Clients that have investment objectives similar to each other. CBRE IM expects that it or its personnel will in the future establish one or more additional investment funds with investment objectives substantially similar to, or different (and potentially conflicting) from, those of the current Clients. CBRE IM may give advice or take actions with respect to the investments of one or more Client that may not be given or taken with respect to other Clients with similar investment programs, objectives or strategies. As a result, Clients with similar strategies will not hold the same securities or achieve the same performance. In addition, a Client generally may not be able to invest through the same investment vehicles, or have access to similar credit or utilize similar investment strategies as another Client. These differences will result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

While CBRE IM will devote such time to Clients as is reasonably necessary, its personnel will not be expected to devote substantially all of their working time to the administration and investments of any one Client, and some of these individuals may, among other things, spend time forming and providing assistance to other Clients. Conflicts of interest may arise in allocating management time, services, resources or functions among Clients.

The members of one Client's limited partner advisory committee may be involved on equivalent bodies or through other roles in providing advice in respect of other Clients, may invest in other Clients or SMAs and may also be more generally involved in such separate business interests. This may present conflicts of interest. In the event that any member of such Client's advisory committee has an actual or potential conflict of interest by virtue of such member's involvement with or investment in other Clients or SMAs or other business interests, such member shall disclose such interest, but may still be called upon to consider the conflicted matter, as determined on a case-by-case basis in CBRE IM's discretion.

CBRE IM will, from time to time, consider and reject an investment opportunity on behalf of one Client, and CBBRE IM or an affiliate of CBRE IM may subsequently determine to have another Client or fund of CBRE IM's affiliate make an investment in the same company. A conflict of interest arises because one fund will, in such circumstances, benefit from the initial evaluation, investigation and due diligence undertaken by CBRE IM on behalf of the original Fund considering the investment. In such circumstances, the benefitting fund or funds will not be required to reimburse the original Client for expenses incurred in connection with researching such investment.

In addition, CBRE IM will, from time to time, consider an investment opportunity for one Client and then subsequently determine to have another Client or fund advised by CBRE IM's affiliates make the investment. In making any such reallocation determination, CBRE IM will consider a variety of factors, including those set forth above under "*Allocation of Investment Opportunities.*" Conflicts of interest arise in connection with such a reallocation, including those set forth above under "*Allocation of Investment Opportunities.*" In addition, a conflict of interest exists because the investing Client will benefit from the initial evaluation, investigation and due diligence undertaken by CBRE IM on behalf of the original Client for which the investment was initially considered. In certain cases, such reallocation determination may occur after a significant period of time has passed and the Client to which the investment was originally allocated has incurred substantial out-of-pocket expenses in connection with evaluating, investigating and diligencing such investment. The investing Client typically will be required to reimburse the original Client for such expenses without interest. CBRE IM experiences conflicts of interest in connection with causing one Client to incur expenses that may ultimately benefit another Client (or fund advised by its affiliate), and similarly experiences conflicts of interest in determining the need for, calculating the amount of, and effecting any such reimbursement, as such arrangements may involve the discharge of a liability that one Client (or fund of CBRE IM's affiliate) owes to another Client, and in all such cases these determinations, calculations, and terms are not arm's-length arrangements and there can be no assurance that the allocation of such expenses is in the best interest of the Clients. There can be no assurance that the amounts reimbursed to the original Client will be commensurate with the benefit received by the investing Client.

In connection with evaluating a potential investment that is not consummated, a Client will, from time to time, incur Dead Deal Costs. Such Dead Deal Costs are, from time to time, rolled forward and capitalized into the following subsequent consummated transaction. In such cases, another Client and new co-investors may participate with the original Client in the subsequent consummated transaction. As a result, the other Clients (and/or new co-investors) that were not participating in the unconsummated transaction may be responsible for bearing a portion of Dead Deal Costs incurred by the original Client.

In addition, CBRE IM receives and generates various kinds of portfolio company data and other information, including related to or created in connection with financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors, ESG and other metrics, financial information, commercial and transactional information, user data, cost data and related data or information, some of which is sometimes referred to as "big data." This information may, in certain instances, include confidential and/or sensitive information received or generated in connection with efforts on behalf of one Client's investment (or prospective investment) in a portfolio company. As a result, CBRE IM is better able to anticipate macroeconomic and other



trends and financial opportunities, enhance and improve operations of portfolio companies and otherwise develop investment strategies or identify specific investment or business opportunities. CBRE IM also intends to utilize such data for purposes of identifying new investments opportunities for the Client. Information from a portfolio company owned by a Client may enable CBRE IM to better understand a particular industry and develop and execute investment strategies in reliance on that understanding for CBRE IM and other Clients that do not own an interest in such portfolio company, without compensation or benefit to such Client or its portfolio companies. Further, data is expected to be aggregated across the Clients and their respective portfolio companies and, in connection therewith, CBRE IM is expected to serve as the repository for such data, including with ownership, use and distribution rights therein. CBRE IM may also share data from a portfolio company of one Client with a portfolio entity of an other Client, which may increase a competitive disadvantage for, and indirectly harm, such portfolio company. Portfolio companies may incur incremental expenses in collecting and organizing information requested or required to be furnished to CBRE IM (which expenses are indirectly borne by the Clients). CBRE IM has in the past entered into and is likely in the future to enter into information sharing and confidentiality arrangements with portfolio companies and other sources of information that may limit the internal distribution and use of such data. CBRE IM has already used and is likely in the future in certain instances to use this information in a manner that may provide a material benefit to CBRE IM, its affiliates, or to certain other Clients without compensating or otherwise benefitting the Client or Clients from which such information was obtained. In addition, CBRE IM may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. Furthermore, except for (a) contractual obligations to third parties to maintain confidentiality of certain information or otherwise limit the scope and purpose of its use or distribution, (b) policies, practices and procedures designed to ensure confidentiality of trade secrets and (c) compliance with applicable data privacy laws, laws prohibiting insider trading, anti-competition laws and laws protecting national security interests, CBRE IM is generally free to use data and information from a Client's activities in its sole discretion for the benefit of CBRE IM and other Clients. The sharing and use of "big data" and other information present potential conflicts of interest, and any benefits received by CBRE IM or its personnel will not be subject to the Management Fee offset provisions or otherwise shared with a Client or its investors. CBRE IM has in the past utilized and is likely in the future to utilize such information to benefit CBRE IM, its affiliates and/or certain Clients.

CBRE IM and its affiliates from time to time also enters into formal or informal arrangements with portfolio investments to facilitate the sharing of data and/or data analytics. Subject to applicable legal, regulatory and contractual requirements, these information-sharing arrangements are designed to allow CBRE IM, the Clients and the Clients' portfolio companies to better discern economic or other trends and developments. CBRE IM believes that all Clients benefit from these arrangements in ways that would be impossible without the ability to aggregate data from across CBRE IM's businesses and the Clients' portfolio companies. However, information sharing may involve conflicts of interest between the Clients and/or between the Clients and CBRE IM. For example, data analytics based on inputs from one portfolio company may inform business decisions by other portfolio investments, or investment decisions by CBRE IM and its affiliates, without the source of the data being directly compensated. It is difficult, if not impossible, to measure exactly the benefits any particular entity receives from these kinds of arrangements, or to provide specific and direct monetary compensation for such information. Therefore, CBRE IM and its affiliates may utilize such data outside of Client activities in a manner that may provide a

material benefit to CBRE IM, without directly compensating or otherwise benefiting the Clients. As a result, CBRE IM may have an incentive to pursue investments (on its own behalf or on behalf of the Clients) based on the data that may be accessible as a result of owning such investments, and/or to utilize such data in a manner that benefits CBRE IM and/or investments held by other Clients.

The Clients may enter into borrowing arrangements that require the Clients to be jointly and severally liable for the obligations. If one Client defaults on such arrangement, the other Clients may be held responsible for the defaulted amount.

#### *Follow-on Investments*

Investments to finance follow-on acquisitions may present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Client in a portfolio company in which another Client has previously invested. In addition, a Client will from time to time participate in releveraging and recapitalization transactions involving portfolio companies in which another Client has already invested or will invest. Conflicts of interest arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Furthermore, a conflict of interest also arises because a Client that participates in a follow-on investment in a portfolio company held by another Client will benefit from the initial evaluation, investigation and due diligence undertaken by CBRE IM on behalf of the original Client and from operational or other information about such portfolio company acquired from the original Client's ownership of interests in the portfolio company. In such circumstances, such benefitting Client or Clients will not be required to reimburse the original Client for expenses incurred in connection with researching such investment. An investment by a Client in a portfolio company in which another Client invests at a later stage may be made at a higher or lower valuation than the investment in such portfolio company by such other Client and an investment by one or more other Clients in any such portfolio company may dilute the original Client's interest in such portfolio company.

Additionally, CBRE IM at times will make a follow-on investment in a portfolio investment because such follow-on investment protects the rights given to the investing Client (or another Client) previously or for reputational or strategic reasons, even when such follow-on investment's valuation has decreased since the original investment. These reputational benefits and protections will, from time to time, benefit and/or accrue to other Clients and/or CBRE IM at the expense of the current Client(s) investing in such follow-on investment.

#### *Conflicts Relating to CBRE IM*

CBRE IM may compete against, or engage in business with (i.e., through co-investments and joint ventures) another investment adviser with which CBRE IM or its affiliates or a member of their personnel has a relationship or from which CBRE IM or its affiliates or their personnel otherwise

derives financial or other benefit. Such relationships may influence decisions that CBRE IM makes with respect to the Clients.

Adviser Personnel and other related persons of CBRE IM and its affiliates have made and may make capital investments in or alongside certain Clients. These investments may be at different times or in non-pro rata amounts, or in different classes or levels of the capital structure. Such persons therefore have additional conflicting interests in connection with these investments.

By reason of their responsibilities in connection with other activities of CBRE IM, certain Adviser Personnel may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Clients will not be free to act upon any such information. Due to these restrictions, the Clients may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell an investment that they otherwise might have sold.

In addition, Clients from time to time invest in securities of companies in which Adviser Personnel and other related persons of CBRE IM and its affiliates have previously invested for their own accounts. Furthermore, Adviser Personnel and other related persons of CBRE IM's and its affiliates from time to time invest for their own accounts in securities of companies in which the Clients have previously invested. While the significant interests of the Adviser Personnel generally align the interest of such persons with the Clients, such persons may have differing interests from the Client with respect to such investments (for example, with respect to the availability and timing of liquidity), creating conflicts of interest. There can be no assurance that the return of a Client participating in a transaction would be equal to and not less than another Client participating in the same transaction or that it would have been as favorable as it would have been had such conflicts not existed.

CBRE IM, its affiliates, officers, principals and employees of CBRE IM and its affiliates may buy or sell securities or other instruments that the Adviser has recommended to Clients. Adviser Personnel may also buy securities in transactions offered to but rejected by Clients. A conflict of interest may arise because such investing CBRE IM personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by CBRE IM on behalf of the Client. In such circumstances, the investing CBRE IM personnel will not share or reimburse the relevant Client(s) and/or CBRE IM for any expenses incurred in connection with the investment opportunity.

In addition, Adviser Personnel may also buy securities and hold interests as passive investors in other investment vehicles (including private equity funds, venture capital funds, hedge funds, real estate funds and other similar investment vehicles) which may include potential competitors of the Clients and/or which may invest in similar industries and sectors as the Clients (including investments for purposes of sourcing future investment opportunities). Such Adviser Personnel have a conflict of interest with respect to their personal investment holdings. There could be situations in which such investment vehicles invest in the same portfolio companies as the Clients, and there may be situations in which such investment vehicle purchases securities from, or sells securities to, a Client. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Clients. In the event Adviser Personnel make an investment with the intent to source future investments for the Clients, there is a greater likelihood

that the Clients will make investments in the same portfolio companies in which Adviser Personnel hold an interest as described above. Such personnel may be incentivized to cause a Client to act in a manner that benefits such other investment vehicles and indirectly, themselves as investors in such investment vehicles.

The transactions described above are subject to the policies and procedures set forth in CBRE IM's Code of Ethics, and investors will not benefit from any such investments.

Adviser Personnel have family members that are actively involved in industries and sectors in which the Clients invest or have business, personal, financial or other relationships with companies in such industries and sectors (including service providers described below) or other industries, which gives rise to conflicts of interest. For example, such family members might be officers, directors, personnel or owners of companies that are actual or potential investments of the Clients or other counterparties of the Clients and the portfolio companies. Moreover, in certain instances, the Clients or the portfolio companies may purchase or sell companies or assets from or to, or otherwise transact with companies that are owned by such family members or in respect of which such family members have other involvement. The fees for services provided by such service providers may or may not be at the same rate charged by other third-party service providers and CBRE IM is not required to select service providers who may have lower rates (or to engage in any benchmarking of such fees). In most such circumstances, the Clients' Organizational Documents will not preclude Client from undertaking any of these investment activities or transactions.

From time to time, Adviser Personnel may invest in funds or other entities managed by investors in a Client, which could incentivize such Adviser Personnel to afford the investor preferential or favored treatment, such as, for example, increased access to co-investment opportunities, and could create conflicts of interest to the extent such other funds compete with a Client for investment opportunities or invest in competing portfolio companies.

The general partner of a Fund or SMA may, in its discretion, under certain circumstances elect to increase its commitment to such Fund or SMA prior to the final close of the Fund or SMA without the consent of other investors. Any increased commitment by the general partner will dilute the interests of the limited partners. Although the general partner will pay interest in respect of prior capital contributions in the same manner as is paid by the limited partners, the general partner has information about the Fund or SMA's investments, including regarding their valuation and performance expectations, which the investors do not have and that information may inform its decision whether to increase its capital commitment. Therefore, the general partner has a conflict of interest in deciding to increase its subscription because a decision to increase its subscription may result in the general partner receiving value that would have otherwise benefitted limited partners.

### *Fee Structure*

CBRE IM's entitlement to performance fee distributions may create an incentive for CBRE IM to make more speculative investments on behalf of Clients than it would otherwise make in the absence of such performance-based compensation being payable to its affiliate. In addition, the method of calculating the performance fee distributions may result in conflicts of interest between

CBRE IM and its investors with respect to the management and disposition of investments and the determination of the timing and amount of distributions by the funds. Additionally, CBRE IM's entitlement to Management Fees may create an incentive for CBRE IM to make more investments or deploy capital more quickly than it would otherwise in the absence of such Management Fee.

CBRE IM has discretion in determining whether and when an investment has been permanently written down, which impacts the calculation of Management Fees at certain times for certain Clients. As provided in the Organizational Documents of certain Funds or SMAs with respect to making direct investments, following the investment period of the Fund or SMA, the Management Fees with respect to such Fund or SMA are calculated based on invested capital, which is reduced by any investments that, are permanently written down (as such standard is modified or qualified in the Client's Organizational Documents). As a result, a conflict of interests exists because CBRE IM has an incentive to refrain from or delay permanently writing down or otherwise devaluing or impairing investments in order to ensure the Management Fee base does not decrease, which would result in higher Management Fees ultimately paid to CBRE IM. In general, CBRE IM evaluates several criteria in determining whether to permanently write down (as such standard is modified or qualified in the Client's Organizational Documents) an investment, including, without limitation, impairment thresholds and other criteria in a Client's Organizational Documents, how long the investment has been held, length of time the investment has been marked down, materiality or markdown, anticipated holding period of the investment, volatility in valuation, impact of market conditions on valuation, other valuation methodologies showing increased valuations, and anticipated recovery path for the investment. CBRE IM may change these criteria in its sole discretion from time to time, and CBRE IM has flexibility in determining the applicability and weight of these factors and has ultimate discretion in determining whether an investment should be permanently written down (as such standard is modified or qualified in the Client's Organizational Documents). As a result, CBRE IM is permitted to determine that even extremely distressed investments should not be permanently written down (as such standard is modified or qualified in the Client's Organizational Documents). There can be no assurance that an investment, in hindsight, should have been permanently written down (as such standard is modified or qualified in the Client's Organizational Documents) or should have been permanently written down (as such standard is modified or qualified in the Client's Organizational Documents) at an earlier date.

Additionally, as discussed above in Item 6, CBRE IM and its affiliates (including the general partner of a Fund or SMA) are entitled to carried interest under the terms of the Organizational Documents of some Clients. The existence of CBRE IM's carried interest could create an incentive for CBRE IM to cause such Clients to make more speculative investments than they would otherwise make in the absence of performance-based compensation. However, the investment made by CBRE IM or its affiliates in a Client, the clawback obligation of the general partner (as described below) and the fact that the preferred return is calculated on an aggregate basis reduces the incentive to make speculative investments.

The Organizational Documents of certain Clients permit the CBRE IM and/or its affiliates to cause such Client to distribute CBRE IM and/or its affiliates' share of securities resulting from an investment disposition by such Client to CBRE IM or its affiliates (including a general partner or Adviser Personnel) in kind, while disposing of investors' share of such securities and distributing the net cash proceeds of such sale of securities to the investors. This ability creates conflicts of

interest between CBRE IM and/or its affiliates and the investors of the applicable Client. CBRE IM and/or its affiliates are particularly incentivized to receive distributions in kind of securities that it expects to increase in value, and in cases where the increase occurs, if the investors received cash distributions instead of in-kind distributions, the investors will be denied the benefits of that increase had the Client retained the securities, and CBRE IM and/or its affiliates will receive more value from the securities than it would have had its carried interest been paid in cash. In the event the CBRE IM and/or its affiliates receive such a distribution, CBRE IM and/or its affiliates will generally act in its own interest with respect to its share of securities and may determine to sell the distributed securities (which may include selling its securities prior to the time at which the investor sells its distributed securities), or hold on to the distributed securities for such time as CBRE IM and/or its affiliates shall determine. The ability of CBRE IM and/or its affiliates to act in its own interest with respect to such distributed shares creates a conflict of interest between CBRE IM and/or its affiliates, as an adviser to the Client, and the Client. These conflicts may be exacerbated due to the enhanced knowledge and information CBRE IM and/or its affiliates have relative to a Client's investors with respect to such securities.

#### *Fund or SMA Level Borrowing*

The Funds and SMAs from time to time borrow funds or enter into other financing arrangements for various reasons, including to pay fund expenses and liabilities; to pay Management Fees, organizational expenses; to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from investors); to make payments under hedging transactions; or to cover any shortfall resulting from an investor's default or exclusion. If a Fund or SMA borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all limited partners in such Fund or SMA on a pro rata basis, including the general partner.

To the extent a Fund or an SMA uses borrowed funds in advance or in lieu of capital contributions, the Fund or SMA's investors generally make correspondingly later capital contributions, but the Fund or SMA will bear the expense of interest on such borrowed funds. As a result, the Fund or SMA's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and generally make net IRR calculations higher than they otherwise would be without fund-level borrowing as these calculations generally depend on the amount and timing of capital contributions. It is expected that the interest will accrue on any such outstanding borrowings at a lower rate than any preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the relevant Fund or SMA. Thus, while the Fund or SMA will bear the expense of borrowed funds, such borrowings can also increase the carried interest received by the Fund or SMA's general partner or will result in the Fund or SMA's general partner receiving carried interest earlier than it would otherwise have by decreasing the amount of distributions from the Fund or SMA that are required to be made to Fund or SMA investors in satisfaction of any preferred return. The general partner therefore has a conflict of interest in deciding whether to borrow funds, because the general partner may receive disproportionate benefits from such borrowings. Furthermore, the use of Fund or SMA-level borrowing for investment purposes is treated as investment capital for purposes of calculating the relevant Fund or SMA's Management Fee. Therefore, investors pay Management Fees on borrowed amounts used to fund an investment even though such amounts would not accrue a preferred return as described above.

To the extent a subscription facility is due upon demand by a lender (such as upon an event of default or otherwise), such a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of such liquidity constraints and/or investors facing similar capital calls in multiple funds and being unable to satisfy all such demands simultaneously. The batching of capital calls may amplify the magnitude of potential defaults by investors as a result of there being fewer but larger capital calls. Moreover, the existence of a subscription facility may impair an investor's ability to transfer its interest in a Fund or SMA as a result of restrictions imposed on such transfers by the lender.

Borrowing by a Fund or SMA will generally be secured by capital commitments made by the investors in the Fund or SMA and/or by the Fund or SMA's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the investors may be subordinated to such Fund or SMA-level borrowing. Moreover, tax-exempt investors should note that the use of borrowings by the Fund or SMA may cause the realization of Unrelated Business Taxable Income.

The use of Fund or SMA-level borrowings will differ based on available credit facility capacity and contractual terms applicable to each Fund or SMA and each such credit facility. Therefore, as the subscription credit facilities utilized by the Funds or SMAs may have different terms, while the Funds or SMAs may be invested in the same investment, and while the valuation of such investment would be consistently determined pursuant to the relevant Organizational Documents, the investment return can, in certain circumstances, differ among the Funds or SMAs as a result.

#### *Diverse Membership*

The investors in the Clients may include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors often have conflicting investment, tax and other interests with respect to their investments in a Client. The conflicting interests among the investors generally relate to or arise from, among other things, the nature of investments made by a Client, the structuring of the acquisition of investments and the nature and timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by CBRE IM or its affiliates, including with respect to the nature or structuring of investments, that are more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Client, CBRE IM and its affiliates will consider the investment and tax objectives of the applicable Client, not the investment, tax or other objectives of any investor individually.

#### *Business with and among Portfolio Companies and Investors and Prospective Investors*

Given the collaborative nature of CBRE IM's business and the portfolio companies in which the Clients have invested, there are often situations where CBRE IM is in the position of recommending the services of a portfolio company to other portfolio companies of the Clients or funds managed by CBRE IM's affiliate, which may involve fees, commissions, servicing payments and/or discounts to CBRE IM, an affiliate, or a portfolio company. CBRE IM will generally have a conflict of interest in making such recommendations, in that CBRE IM has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Clients, while the products or services recommended may not necessarily be the best available to the

portfolio companies held by the Clients. The benefits received by a portfolio company providing a service may be greater than those received by the Client(s) and its portfolio companies receiving the service.

Portfolio companies controlled by a Client may provide services to CBRE IM, certain Client investors or prospective investors. This creates a conflict of interest, as CBRE IM has an incentive to cause the portfolio company to favor itself, or those investors or prospective investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Client. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Client.

Current and former founders and prospective founders, officers and executives and other affiliates of portfolio companies have and likely will invest in a Client. While CBRE IM believes this aligns portfolio company management teams with the best interests of the Client, CBRE IM may, in certain circumstances, be incentivized to take (or refrain from taking) certain actions with respect to a portfolio company in order to maintain the goodwill with such portfolio company management team investor or other affiliate of the portfolio company that is an investor in a Client such that they continue to invest in the Clients, among other reasons.

In certain instances, a Client's portfolio company competes with, is a customer of, or is a service provider to, another Client's portfolio company. In providing advice to a portfolio company's business, CBRE IM may consider the interests of one portfolio company or Client and is not obligated to, and need not, take into consideration the interests of other relevant portfolio companies or Clients. As a result, a conflict of interest may arise in these instances because advice and recommendations provided by CBRE IM to a portfolio company may have adverse consequences to a separate portfolio company owned by another Client. The performance and operations of a competitor, customer or service provider portfolio company could conflict with, and adversely affect the performance and operations of, another portfolio company, or could adversely affect prices, business opportunities or potential acquisition opportunities. For instance, a portfolio company may seek to expand its market share at the expense of another portfolio company; withdraw business from another portfolio company in favor of another company offering the same product or service at a lower price; increase its own prices, or purchase assets from, or sell assets to, another portfolio company; commence litigation against another portfolio company; or prevent one portfolio company from commencing litigation against another portfolio company.

From time to time a Client's portfolio company will be counterparties or participants in agreements, transactions or other arrangements with other portfolio companies of such Client or other Clients. These agreements, transactions and other arrangements will involve payment of fees and other amounts, none of which will result in any offset to the Management Fee. Such agreements, transactions and other arrangements will generally be entered into without the consent or direct involvement of the Clients and/or CBRE IM or the consent of any advisory committee.

In addition, certain portfolio companies controlled by a Client may engage in activities that could adversely affect another Client and/or its portfolio company, including, for instance, as a result of laws and regulations or certain jurisdictions (such as bankruptcy, environmental, consumer protection and/or labor or union laws) that may not recognize or permit the segregation of assets



and liabilities between separate entities. Such jurisdictions may also allow for recourse against assets that are under common control with, or part of the same economic group as the entity that has incurred the liability. This may result in the assets of a Client and/or a portfolio company being used to satisfy the obligations or liabilities of another Client or its portfolio company.

CBRE IM and/or its affiliates have in the past, and may in the future engage in business opportunities arising from a Client's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company). This creates a conflict of interest, as such interests are a benefit arising from the Client's investment and may vary from the applicable Client's interest (e.g., whether to make a follow-on investment and, if so, how much should be allocated to the Client).

In addition, CBRE IM may cause a Client to transact with a portfolio company or the Client or another Client, including purchasing an asset from, or selling an asset to, a portfolio company. This creates a conflict of interest as the interests of the purchasing or selling Client differ from those of the counterparty portfolio company.

A Client's portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other Clients managed by CBRE IM or CBRE IM's affiliates that, although CBRE IM determines to be consistent with the requirements of such Clients' Organizational Documents, may not have otherwise been entered into but for the affiliation with CBRE IM, and which may provide economic or other benefits to affiliates of CBRE IM that are not subject to the Management Fee offset provisions described herein. For example, CBRE IM may in the future cause portfolio companies to enter into agreements regarding group procurement (which may depend on the volume of services purchased under these agreements and which may be pooled across multiple portfolio companies and discounted due to scale), benefits management, data management and/or mining, technology development, purchase or title and/or other insurance policy (which may be pooled across multiple portfolio companies and discounted to scale) and other similar operational initiatives that may result in fees, better pricing, rebates, servicing payments, commissions or similar payments and/or discounts being paid to CBRE IM, its affiliates or a portfolio company, including related to a portion of the savings achieved by the portfolio company. While CBRE IM may have a conflict of interest because its economic benefit may incentivize CBRE IM to maintain such arrangements, CBRE IM believes that such agreements benefit the portfolio companies due to increased access to quality products and services at beneficial pricing, and CBRE IM's benefits from such arrangements are reduced because CBRE IM only benefits at the same rate as the portfolio companies. However, it should not be assumed that a company related to, or otherwise affiliated with, CBRE IM will only take actions that are beneficial to, or not opposed to, the interests of a Client and its portfolio companies. CBRE IM and its affiliates have in the past and may, from time to time, hire part-time or full-time employees (including interns) who are relatives of, or are otherwise associated with an investor, portfolio company, former portfolio company, investment target, or service provider. Although CBRE IM uses reasonable care to mitigate any potential conflicts of interest with respect to each particular situation, there is no guarantee CBRE IM can control all such conflicts of interest, and there may be a continuing appearance of a conflict of interest (including, for instance, preferential hiring practices).

While less common, from time to time a Client could hold an investment in a different layer of the capital structure than an investor or another party with which CBRE IM has a material relationship, in which case CBRE IM could have an incentive to cause the Client or the portfolio company to offer more favorable terms to such parties (including, for instance, financing arrangements).

### *Service Providers*

CBRE IM may retain the services of its affiliates with respect to the activities of Clients. CBRE IM may pay fees, expenses and costs out of the assets of Clients to such affiliates for their services, subject to any restrictions set out in the governing documents with respect to the Client. Neither the Management Fee nor any performance distribution (or any other fee, charge, or payment due under any of the fund agreements) will be reduced or offset by any portion of such fees, except as may otherwise be agreed to by CBRE IM or any of its affiliates in their discretion. The use of affiliates of CBRE IM in connection with the retention of these services raises potential conflicts of interest in that there may be an incentive for CBRE IM to favor affiliates over more qualified service providers and/or to agree to pay fees that are higher than the fees charged for comparable services, subject to any restrictions set out in the governing documents with respect to the Client. The Clients will not receive the benefit of fees, expenses, costs or other compensation received by CBRE IM and its affiliates in connection with the provision of services by them to the funds or third parties.

Services required by a Client (including some services historically provided by CBRE IM or its affiliates to the Clients) may, for certain reasons including efficiency and economic considerations, be outsourced in whole or in part to third parties or licensed software, in each case in the discretion of CBRE IM or its affiliates. This can create a conflict of interest because CBRE IM and its affiliates have an incentive to outsource such services at the expense of the Clients to, among other things, leverage the use of CBRE IM personnel. Such services may include, without limitation, deal sourcing, asset management, information technology, licensed software, depository, data processing, client relations, administration, custodial, marketing and marketing reviews, accounting, valuation, legal, human resources, client services, compliance, corporate secretarial and tax support, director services and other similar services. Outsourcing may not occur universally for all Clients, and, accordingly, certain costs may be incurred by a Client for a third-party service provider that are not incurred for comparable services by other Clients. The decision by CBRE IM to initially perform a service for a Client in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future, and CBRE IM has no obligation to inform such Clients or investors of such a change. Such services may also supplement or be performed alongside services performed by CBRE IM. In addition, certain internal service providers (such as internal accountants) may “shadow” or otherwise review the reports of other services provided by such third parties. The costs and expenses of any such third-party service providers will be borne by the relevant Clients.

CBRE IM and/or its affiliates engage certain service providers to provide services to CBRE IM, the Clients and/or the portfolio companies, including services during the due diligence and acquisition process. Such service providers or their affiliates are, in certain circumstances, investors in a Client or affiliates of such investors and may include, for example, investment or commercial bankers, outside legal counsel pension consultants and/or other investors who provide services (including mezzanine and/or other lending arrangements). The engagement of any such

service provider may be concurrent with an investor's admission to a Client, or during the term of such investor's investment in the Client. This creates a conflict of interest, as CBRE IM may give such investor preferred economics or other terms with respect to its investment in a Client, or enhanced information, or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor. In addition, CBRE IM will have a conflict of interest in recommending the retention or continuation of a service provider to the Clients or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Clients or will provide CBRE IM information about markets and industries in which CBRE IM operates, will provide other services that are beneficial to CBRE IM and/or will provide financial sponsorship of events held by CBRE IM (such as transaction closing dinners or outings, or informational summits or training events for CBRE IM or portfolio company personnel). CBRE IM generally has an incentive to recommend the products or services of certain investors or prospective investors in the Clients to the Clients or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Clients or the portfolio companies.

CBRE IM generally may in its discretion, contract directly with, or recommend to a Client or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with, a related person of CBRE IM or an affiliate (including but not limited to a portfolio company of a Client). When making such a recommendation, CBRE IM, because of its financial or other business interest, has an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

Additionally, former CBRE IM employees may also become employees, officers or directors of, or otherwise be engaged by, third-party service providers that provide services to CBRE IM, the Clients and/or portfolio companies. While employed by CBRE IM, the cost of the compensation, benefits and attributable overhead provided to these individuals are paid by CBRE IM unless a Client's Organizational Documents permit certain allocations of internal expenses to the Client. If a former CBRE IM employee becomes an employee or consultant of a third party that also provides services to a Client, such former CBRE IM employee may be assigned by such third party to provide services to that account. In such instance, the cost of the third-party service provider attributable to the former CBRE IM employee working on the Client will be borne entirely by the Client and no such amounts will reduce the Management Fee paid or the carried interest distributed by such Client on the basis that such person used to be a former CBRE IM employee.

Additionally, Adviser Personnel, and/or their family members or relatives, may have ownership, employment, or other economic or other interests in certain service providers. These relationships can influence CBRE IM in determining whether to select or recommend such service provider to perform services for a Client or a portfolio company. Although CBRE IM selects service providers that it believes will enhance portfolio company performance (and, in turn, the performance of the relevant Client(s)), there is a possibility that CBRE IM, because of financial, business interest, or other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

Certain other service providers to CBRE IM, the Clients and/or the portfolio companies, or affiliates of such service providers, may also provide goods or services to or have business,

personal, financial or other relationships with CBRE IM, its affiliates, or their respective portfolio companies. Such service providers (or their employees) may also source investment opportunities, be co-investors or commercial counterparties or entities in which CBRE IM and/or the Clients have an investment, and payments by a Client and/or such portfolio companies may indirectly benefit CBRE IM and/or such Client.

The Clients have in the past and may, from time to time in the future pay a fee to an investment bank with respect to a particular transaction which fee may, in whole or in part, reflect a payment to the investment bank for finding deals for CBRE IM and the Clients in the future. As a result, the Client paying the fee to the investment bank may not receive the benefit of the future deals sourced by the investment bank, and the other Client to which a deal is allocated will not be required to reimburse the paying Client for such fee.

Investors may be introduced to CBRE IM by a third-party consultant from which CBRE IM or a related person purchases products and to which CBRE IM or a related person may make payments, including in connection with conferences sponsored or hosted by the third-party consultant.

CBRE IM, its personnel, the Clients and the portfolio companies of the Clients will, from time to time, engage common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to CBRE IM, its personnel, the Clients, and/or the portfolio companies. As a result, CBRE IM or its personnel may receive a more favorable rate on services provided to it by such a common service provider than the rates payable by the Clients and/or the portfolio company, or may receive a discount on services even though the Clients and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between CBRE IM and its personnel, on the one hand, and the Clients and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that CBRE IM will favor the engagement or continued engagement of such persons if it, or its personnel, receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Clients and/or the portfolio companies. Neither the Clients nor investors in the Clients will receive the benefit of any such favorable rate or discount provided to CBRE IM, its personnel or its affiliates, and the Management Fee paid by any Client will not be reduced in connection with such favorable rate or discount.

In addition, service providers often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required, and the time demands of the service provider. As a result, to the extent the services required by CBRE IM or its affiliates differ from those required by the Clients and/or its portfolio companies, CBRE IM and its affiliates will pay different rates and fees than those paid by the Clients and/or its portfolio companies.

In certain circumstances where CBRE IM commits or has committed to seek “market” or “arm’s-length” rates or terms, CBRE IM will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. CBRE IM reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is “arm’s-length.” Consequently, CBRE IM undertakes no minimum amount of benchmarking, and does not represent that any such

benchmarking ultimately will be accurate or comparable, or relate specifically to the assets, services, geographies, or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, CBRE IM reserves the right to rely on approximations or estimates of time for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not CBRE IM has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is not more qualified to provide the applicable services or could provide such services at lesser cost. To the extent the Clients engage in a long-term or recurring contract with a CBRE IM affiliated service provider, CBRE IM may not seek to benchmark or otherwise renegotiate the original fee arrangement for a significant period of time.

CBRE IM or its affiliates engage certain service providers (including law firms) on behalf of the Clients and personnel of such service provider have in the past and may in the future be seconded to CBRE IM or its affiliates on a temporary basis or serve in an internship capacity, pursuant to various arrangements including at cost or at no cost. CBRE IM is, from time to time, a beneficiary of these arrangements as well. Such personnel provide under certain circumstances services in respect of multiple matters, including in respect of matters related to CBRE IM, its affiliates and/or portfolio companies and in any such circumstance, the benefits or costs of any such personnel will be allocated in CBRE IM's discretion taking into consideration the usage of such personnel. The Management Fee will not be offset or reduced as a result of these arrangements or any fees, expense reimbursements or other costs related thereto. In such circumstances, a conflict of interest exists because CBRE IM or its affiliates have an incentive to select one service provider over another on the basis that CBRE IM or its affiliates may receive the benefit of seconded employees from such service provider, particularly where the compensation and expenses for such personnel during the secondment are borne by the service provider and not CBRE IM or its affiliates.

CBRE IM and the Clients will generally engage common legal counsel and other service providers in a particular transaction, including a transaction in which there may be conflicts of interest (e.g., cross transactions and other affiliated transactions). Members of the law firms engaged to represent the Clients may represent one or more portfolio companies or investors in a Client. In the event of a significant dispute or divergence of interest between Clients, CBRE IM and/or its affiliates, the parties may engage separate counsel in the sole discretion of CBRE IM and its affiliates, and in litigation and other circumstances, separate representation may be required.

CBRE IM from time to time may cause the Clients to bear the full cost and expense of engaging certain third-party service providers on behalf of a portfolio company. In the event a Client is not the sole shareholder of the portfolio company, other shareholders will benefit from the costs incurred by such Client and will not reimburse the Client for their pro rata portion of the cost of any such service provider.

#### *Positions with Portfolio Companies*

Adviser Personnel serve as directors of, or observers on boards with respect to, certain portfolio companies. While conflicts of interest may arise in the event that such Adviser Personnel's fiduciary duties as a director conflict with those of the Client, it is expected that generally the interests will be aligned. For instance, such positions could impair the ability of a Client to sell

the securities of an issuer in the event a director receives material non-public information by virtue of his or her role, which would have an adverse effect on the Client. Furthermore, an Adviser Personnel serving as a director to a portfolio company owes a fiduciary duty to the portfolio company, on the one hand, and the relevant Client, on the other hand, and such Adviser Personnel may be in a position where they must make a decision that is either not in the best interest of the Client, or is not in the best interest of the portfolio company. Adviser Personnel serving as directors may make decisions for a portfolio company that negatively impact returns received by a Client investing in the portfolio company. In addition, to the extent an Adviser Personnel serves as a director on the board of more than one portfolio company, such Adviser Personnel's fiduciaries duties among the two portfolio companies may create a conflict of interest. Certain decisions made by a director may subject CBRE IM, its affiliate or a Client to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Clients will indemnify CBRE IM and Adviser Personnel from such claims. Adviser Personnel serving in a director or observer role are required to remit any remuneration they may receive as directors to the applicable Clients. In addition, Adviser Personnel may leave the employment of CBRE IM or its affiliates and become an officer or employee of a portfolio company, which will shift the burden of compensating such persons from CBRE IM to the applicable portfolio companies, and any fees received by such persons as an employee of the portfolio company will not reduce the Management Fee.

From time to time, Adviser Personnel may also be asked to serve as directors of, or observers with respect to, certain entities in which a Client has fully exited its ownership interest and/or following the termination of such person's employment with CBRE IM. In such circumstances, any compensation or fees received with respect to such exited investment and/or by such former employee are not subject to the Management Fee offset described above, or otherwise shared with the Clients and/or investors.

In addition, CBRE IM may continue to receive other fees from a portfolio company after a Client has fully exited its ownership interest (for instance, in respect of consulting arrangements or group purchasing arrangements). In such circumstances, any fees received with respect to such exited investment are not subject to the Management Fee offset described above, or otherwise shared with the Clients and/or investors.

In connection with co-investment opportunities, some co-investors (which may include one or more investors in the Clients) are often provided with the opportunity to serve on the board of directors or board of advisors of the applicable portfolio company. Positions on the board of directors or board of advisors of such portfolio companies provide such co-investors with voting rights, access to information and the ability to potentially influence the operations and decision-making of the portfolio company that are not available to other investors in the Clients. In certain cases, co-investors have contractual rights that require the approval of the co-investors for certain major actions relating to the applicable portfolio company, such as a sale of the company or the issuance of additional equity by the company. Such rights may limit the ability of CBRE IM to take actions with respect to the portfolio company that CBRE IM considers to be in the best interests of the Clients.

Certain personnel of CBRE IM or its affiliates may also be temporarily seconded to or otherwise engaged by certain portfolio companies on either a full-time or a part-time basis to provide services

to such portfolio companies. In such instances, the portfolio companies will pay such person's directors' fees, salaries, consultant fees, other cash compensation, stock options, other equity grants or other compensation and incentives and may reimburse CBRE IM or such persons for any travel costs or other out-of-pocket expenses incurred in connection with the provision of their services. Any compensation customarily paid directly by CBRE IM or its affiliates to such persons will typically be reduced to reflect amounts paid directly or indirectly by the portfolio company even though the Management Fee paid or carried interest distributed by the Client to CBRE IM will not be reduced. Any amounts paid to such persons by a portfolio company (or paid by CBRE IM and reimbursed by a portfolio company) will not reduce the Management Fee otherwise payable to CBRE IM or any carried interest otherwise payable to CBRE IM or its affiliates. All or a portion of any such compensation and incentives will be borne by the Client, directly or indirectly, via its ownership interest in such portfolio company. In certain instances, whether an individual who provides services to a portfolio company should be categorized as an employee of CBRE IM, a former employee of CBRE IM or a seconded employee may not be clear. In such cases, CBRE IM will make a determination in good faith based on an evaluation of the facts and circumstances.

#### *Side Letter Agreements; Advisory Committee Rights*

To the extent permitted under applicable law, CBRE IM often enters into certain side letter arrangements with certain investors in a Client providing such investors with different or preferential rights or terms, including but not limited to different fee structures and other preferential economic rights, information and reporting rights, excuse or exclusion rights, waiver of certain confidentiality obligations, co-investment rights, certain rights or terms necessary in light of particular legal, regulatory or policy requirements of a particular investor, additional obligations and restrictions with respect to structuring particular investments in light of the legal and regulatory considerations applicable to a particular investor, modification of representations, indemnification and/or liability and other obligations, veto rights and liquidity or transfer rights. Except as otherwise agreed with an investor, and to the extent permitted under applicable law, CBRE IM (or applicable general partner) is not required to disclose the terms of side letter arrangements with other investors in the same Client. Also, investors will have no recourse against a Client, the applicable Client's general partner, CBRE IM or their respective affiliates in the event that certain investors receive additional or different rights or terms pursuant to such side letters, some of which rights may impact the rights and/or increase the obligations of other investors. In addition, side letter arrangements with certain investors of the Clients impose additional restrictions on investing in certain types of assets, geographies or industries in order to meet certain legal, tax, regulatory, internal policy or other requirements of such investors. While these restrictions are intended to apply solely to such investors, they may ultimately restrict the investments made by an applicable Client.

Certain of the Clients have established an advisory committee, consisting of representatives of investors. A conflict of interest may exist when some, but not all, investors are permitted to designate a member to the advisory committee because those designating investors will, for instance, have greater information rights. The advisory committee may also have the ability to approve conflicts of interests with respect to CBRE IM and the applicable Client, which could be disadvantageous to the investors, including those investors who do not designate a member to the advisory committee. Representatives of the advisory committee may have various business and

other relationships with CBRE IM, Adviser Personnel and its affiliates. These relationships may influence the decisions made by such members of the advisory committee.

In addition, members of one Client's advisory committee may also be a member of another Client's advisory committee. In such instances, a conflict of interest exists because the Clients on which such overlapping advisory committee members may have conflicting interests and such advisory committee members may be asked to provide their consent with respect to such conflicts of interest and will not recuse themselves from any such vote.

### *Operations Support Providers*

CBRE IM, Clients and/or their portfolios will from time to time retain other companies and individuals ("**Operations Support Providers**"), which includes employees and former employees of CBRE IM, affiliates of CBRE IM, employees of such affiliates, portfolio companies of the Clients, third party consultants (including specialized consultants, advisers, industry specialists, external executives, industry advisory roundtable members, and similar professionals), "operating partners" or "senior advisors."

The Operations Support Providers are engaged to provide operational support, due diligence, research, specialized operations and consulting services and similar or related services to the Clients, or in connection with, one or more portfolio companies or prospective portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies (such services collectively, "**Operations Support Services**"). These services may be high-level insight or extensive day-to-day roles, and may include support to CBRE IM on behalf of Clients or portfolio companies regarding, among other things, the company's management (including serving in management positions or participating in determining corporate strategy), the company's supply chain, revenue and margin management (including determining sales/marketing strategy and retail strategy), data intelligence, finance (including generating metrics and reporting and business restructuring), human capital management (including recruiting personnel and determining executive/incentive compensation), information technology, corporate communications, customer service, sustainability (including, strategy, policy and reporting development), real estate matters and similar operational matters. It is expected that the services provided by the Operations Support Providers will expand over time.

The nature of the relationship with each such Operations Support Provider and the time devotion requirements of each such Operations Support Provider are likely to vary significantly. Certain Operations Support Providers may be subject to contractual obligations to exclusively provide certain services to Clients and/or the portfolio companies. These arrangements may be memorialized in a formal written agreement or may be informal, and are negotiated individually, depending upon the anticipated Operations Support Services to be provided. In certain cases, Operations Support Providers may in the future have attributes of Adviser Personnel (for instance, they may have dedicated office space, receive CBRE IM administrative support services, participate in general meetings or events for Adviser Personnel, have CBRE IM e-mail address or business cards), even though they are not employees, affiliates or personnel of CBRE IM. Operations Support Providers may be offered the ability (or may have a preferred right) to co-invest alongside Clients or will under certain circumstances be offered the opportunity directly by



the portfolio company to invest in the company, including in investments in which such Operations Support Provider is involved or participates in the management thereof.

Pursuant to the Organizational Documents of the Clients, fees, compensation, expenses and any attributable overhead associated with Operations Support Services (collectively, “**Operations Expenses**”) are paid and/or reimbursed by CBRE IM, portfolio companies and/or the Clients. Operations Expenses (including Operations Expenses incurred in connection with an Operations Support Provider that is an affiliate or employee of CBRE IM or its affiliates) will be determined at the discretion of CBRE IM taking into account the particular Operations Support Services, may include reimbursement of an allocable portion of an affiliated Operations Support Provider’s compensation (including, without limitation, salary, bonus, payroll taxes and benefits (including vacation time and sick leave)) and overhead (including, without limitation, rent, property taxes and utilities allocable to the workspaces), an annual fee or retainer, a discretionary bonus, a success fee (in the form of cash or equity) based on pre-determined targets or milestones, a profits or equity interest in the Funds and/or portfolio company or other incentive-based compensation (e.g., carried interest) to the Operations Support Provider, and may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Operations Support Provider, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such companies. The determination of whether a service is an Operations Support Service will be made by CBRE IM, in its good faith discretion, but will generally be based on whether third parties typically provide such services to investment advisers or companies. Operations Expenses will, from time to time, also be incurred in respect of portfolio companies prior to the closing of the investment. In the event an Operations Support Provider is paid an annual retainer, the value provided to the relevant Client and/or portfolio company by such Operations Support Provider may vary year to year and there can be no assurance that the annual retainer paid will commensurate with the value provided by the Operations Support Provider. In addition, an Operations Support Provider’s benefits described herein (including, for the avoidance of doubt, compensation arrangements) will, in certain circumstances, continue after termination of status as an Operations Support Provider. Operations Support Providers will, from time to time, be offered the ability to invest in a Fund or in a particular investment as a co-investor on preferred economic terms (including on a no-fee/no-carry basis).

To the extent services are provided for the benefit of a Client, without reference to a particular portfolio company, Operations Expenses incurred in connection with such services are borne by the Client and, indirectly, the investors in such Client. In the event one or more Operations Support Providers (directly or indirectly) is providing services with respect to the Client, such Operations Expenses will be allocated among the Client as determined by CBRE IM, consistent with the Organizational Documents of the applicable Clients. To the extent any such Operations Expenses are payable to any affiliated Operations Support Provider by the Funds or a portfolio company, such Operations Expenses will be retained by such Operations Support Provider and will not reduce the Management Fee or any other fees otherwise payable to CBRE IM or its affiliates and will not benefit a Client or its investors, even if the Operations Expenses paid by a Client or a portfolio company have the effect of reducing any retainers or minimum amounts otherwise payable by CBRE IM. The determination of whether an Operations Expense is paid by a portfolio company, a Client, or CBRE IM will be made by CBRE IM in its good faith discretion. CBRE IM’s good faith determination as to whether a service is an Operations Support Service, the

categorization of any fees and expenses (e.g., as Operations Expenses) and the allocation of such fees and expenses shall be binding on a Client and its investors. Over time, certain existing and former employees of CBRE IM (including senior personnel) may transition to an Operations Support Provider role, which will shift the burden of compensating such persons from CBRE IM to the applicable Client and/or its portfolio companies, and any fees received by such persons will not reduce the Management Fee. It may be difficult to distinguish services provided by the Operations Support Providers from the investment advisory services provided to the Clients by CBRE IM and its affiliates.

### *Other Potential Conflicts of Interest*

The Organizational Documents of a Client establish complex arrangements among the Clients, CBRE IM, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the Organizational Documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While CBRE IM will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Client or its investors.

CBRE IM and its personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Client, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Client expenses may result in "miles" or "points," rebates, or credit in loyalty/status programs to CBRE IM and/or its personnel. Such benefits, rewards and/or amounts (whether or not *de minimis* or difficult to value), will exclusively benefit the Adviser and/or such personnel even though the cost of the underlying service is being borne by the Clients, its investors and/or the portfolio companies. Any such benefits, rewards and/or amounts will not be subject to the offset arrangements described above or otherwise shared with such Client, its investors and/or the portfolio companies. In addition, airline travel incurred as a Client expense for an Adviser personnel travelling for appropriate Client-related purposes (including, without limitation, travel related to a portfolio company, a prospective portfolio company or other Client-related matter) may benefit such Adviser personnel to the extent the trip also serves a personal purpose.

CBRE IM may, in its discretion, have, and may, in its discretion, cause the Clients and/or their portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of CBRE IM. The Clients and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between CBRE IM and the Clients (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that CBRE IM may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

A Fund or SMA may create a platform for acquiring companies in a particular industry for the purpose of creating synergies across, and adding value to, such companies (e.g., merging companies together to create economies of scale or running certain companies in a coordinated manner). In such instances, a holding company (“**Holding Company**”) would be created that would acquire and manage the companies in the platform. The investments in the Holding Company may be managed together (including, for example, the use of common service providers, combined and/or otherwise sold together as part of a single transaction or series of related transactions). The Holding Company would be staffed with personnel responsible for sourcing, acquiring and managing companies for the Holding Company. In certain circumstances, such Holding Company employees may include former employees of CBRE IM, or current or former senior advisors or consultants to CBRE IM and its affiliates. All of the Holding Company’s costs and expenses, initial or ongoing and for any purpose, including compensation for its personnel (which compensation may include, among other things, salary, benefits, retainers and the granting of profit participation in certain investments of Holding Company and/or a capital interest in such investments or the underlying assets), overhead expenses (including, without limitation, rent, property taxes and utilities allocable to the workspaces) and all expenses related to sourcing would be borne by the Holding Company (and, therefore, indirectly borne by a Client). Such costs and expenses will not offset the Management Fee and are in addition to Management Fees and other compensation (e.g., carried interest) received by CBRE IM. In addition, as CBRE IM earns Management Fees and carried interest from a Client, CBRE IM will benefit from the assets, income and gains of Holding Company.

In addition, from time to time, CBRE IM recruits a management team to pursue a new “platform” opportunity expected to lead to the formation of a future portfolio company, or to undertake a “build-up strategy” to acquire and develop assets in a particular sector or involving a particular strategy. In other instances, a new platform could be formed to recruit an existing or newly formed management team to build such platform through acquisitions and organic growth. In certain circumstances, such platform employees may include former employees of CBRE IM, or current or former senior advisors or consultants to CBRE IM and its affiliates. The structure of each platform and the engagement of personnel will vary, including whether a management team’s services are exclusive to the platform and whether the members of the management team are employed directly by the platform or indirectly through a separate management company established to manage such platform. Platform structures may change during the investments’ hold period, for instance, in connection with restructurings or dispositions. The management team of a platform investment may provide services with respect to other platform investments of more than one Client, or provide the same or similar services for unaffiliated parties. The services provided by the platform management team could be similar to, and in some cases overlap with, the services provided by CBRE IM to its Clients. A Client will bear the expenses of the management team or portfolio company, as the case may be, including any sourcing costs and management costs, overhead expenses, management or other fees, employee compensation (including cash compensation and profits-interest), diligence expenses or other related expenses in connection with backing the management team or the build out of the platform company. Such expenses may be borne directly by the applicable Client as Client expenses or indirectly as the Client bears the start-up and ongoing expenses of the newly formed platform portfolio company. Such costs and expenses will not offset the Management Fee and are in addition to Management Fees and other compensation (e.g., carried interest) received by CBRE IM.

A Client may invest in a pooled investment vehicle that is advised by, or that has another business or other relationship with, CBRE IM or its related persons. In such a case, investors in such Client will bear not only the direct Management Fees and other expenses associated with their investment in the Client, but also the expenses and fees associated with the investment in the underlying pooled investment vehicle, some of which fees and expenses may be paid to the Client or its related persons. Additionally, the interests of the Client, as an investor, may conflict with the interests of the underlying pooled investment vehicle or CBRE IM or its related persons in their capacity as service providers to the underlying pooled investment vehicle, which would create a conflict of interest for CBRE IM.

The Organizational Documents of certain Funds and SMAs permit each such Fund or SMA's general partner to withhold information from certain investors in such Fund or SMA in certain circumstances. For instance, information maybe withheld from investors that is subject to the Freedom of Information Act or similar requirements. The general partner may elect to withhold certain information to such investors for reasons relating to the general partner's public reputation or overall business strategy, despite the potential benefits to such investors of receiving such information.

## **Item 12 - Brokerage Practices**

CBRE IM's investment program for its Clients provide for them to invest in private securities, which can only be purchased directly from the issuer or on the secondary market. Consequently, CBRE IM is not in a position to select or recommend broker-dealers when executing investment transactions for Clients.

## **Item 13 - Review of Accounts**

CBRE IM has established an internal structure that allocates responsibility for oversight of SMA and Client portfolios to the appropriate investment committee. Each investment committee is responsible for approving all investments and divestments completed by the applicable SMAs and Clients. In addition to reviewing the merits of the investment or divestment opportunity, the investment committee will review the portfolio implications of completing such transaction. Each investment committee generally consists of the Chief Investment Officer and other senior investment professionals. The composition of any investment committee may change from time to time.

Each investment committee has established a portfolio oversight committee, which is responsible for ensuring that the SMAs and Clients execute on their portfolio construction and diversification objectives. Each portfolio oversight committee completes a semi-annual review of the applicable SMA and Client portfolios, including performance, diversification, liquidity, pending investment activity, general market trends and near-term strategy, and makes recommendations as required.

Each SMA and Client is assigned a portfolio manager responsible for such SMA and Client. The portfolio manager is a senior investment professional and may change from time to time. The portfolio manager will review the SMA or Client's portfolio on a regular basis and will be responsible for reporting to the investment committee and portfolio oversight committee.

The nature and frequency of reporting to Clients depends on the terms of such Client's governing documents or advisory agreements. Typically, Clients are provided with written quarterly unaudited financial reports, which include a qualitative and quantitative review of their portfolios, and annual audited financial statements. Following receipt of such reports, typically, the portfolio manager will meet with the underlying investor of the SMA or hold a conference call with the underlying investors of the Client to discuss portfolio performance and risks.

#### **Item 14 - Client Referrals and Other Compensation**

CBRE IM has engaged PagEQ Inc. to make prospective client introductions for SMAs and Clients in the province of Quebec. Pursuant to an agreement between PagEQ Inc. and CBRE IM effective September 18, 2020 (as may be amended or extended from time to time), CBRE IM pays to PagEQ a success fee that is contingent on subscriptions or investments made by such prospective clients in the Province of Quebec. CBRE IM may engage individuals, third-party firms or groups internal to CBRE network to make prospective client introductions for new markets. In such cases, CBRE IM may compensate the relevant party for the referral once the prospect becomes a client.

The prospective client introductions in the U.S. ("**U.S. Client Introduction Services**") will be conducted by certain employees of CBRE IM Parent, who are also registered representatives of CBRE Capital Advisors, Inc. ("**CBRE Capital**"). CBRE Capital is a broker-dealer registered with the SEC and a member of the Financial Industry Regulatory Authority.

Pursuant to an agreement between CBRE IM Parent and CBRE Capital entered into effective January 1, 2013 (as amended from time to time, the "**Marketing Agreement**"), CBRE Capital provides marketing services to certain of CBRE IM Parent and its affiliates, including CBRE IM, and supervision of the registered representatives, in return for a fixed fee, that is not contingent on subscriptions or investments made by investors. CBRE IM Parent bears responsibility for payment for this fee and other costs arising under the Marketing Agreement.

Pursuant to an agreement between CBRE IM and CBRE IM Parent entered into effective August 8, 2017 (as amended from time to time), in return for the U.S. Client Introduction Services provided by the employees of CBRE IM Parent, CBRE IM pays (i) to CBRE IM Parent a fixed fee that is not contingent on subscription or investments made by investors, and (ii) to CBRE Capital a success fee that is contingent on subscriptions or investments made by investors introduced by employees of CBRE IM Parent.

CBRE IM does not receive any economic benefits from any non-clients for providing investment advice or other advisory services to its Clients.

#### **Item 15 - Custody**

Item 15 is not applicable to CBRE IM.

#### **Item 16 - Investment Discretion**

As discussed in Item 4, depending on a client mandate, CBRE IM may provide discretionary or non-discretionary investment management or advisory services.

For certain mandates, including CGIF, CBRE IM has discretion over the investment decisions, subject to certain limitations set forth in the legal documents. Among other things, our discretionary authority is typically limited to making commitments to private equity and infrastructure funds, making co-investments alongside those funds or making direct investments in infrastructure assets. In addition, CBRE IM's discretion is to be exercised in a manner consistent with the stated investment guidelines, policies, limitations, and restrictions of the particular client account, the client's governing documents, the client's legal agreements with CBRE IM and in accordance with applicable laws.

For certain other mandates, CBRE IM exercises a range of discretion over the investment decisions. The amount of discretion provided to CBRE IM by the client is set forth in the legal agreements between CBRE IM and the client.

### **Item 17 - Voting Client Securities**

As a general matter, CBRE IM will not accept any authority to vote proxies on behalf of Advisory Clients. Advisory Clients retain the responsibility for receiving and voting proxies for any and all marketable securities held and maintained in their portfolio.

CBRE IM has established a Proxy Voting Policy to ensure that CBRE IM votes in the best interest of its SMA and Fund Clients and addresses how it will deal with material conflicts of interest that may arise between CBRE IM and its Clients.

With respect to SMAs and Funds, CBRE IM from time to time votes or gives consent with respect to securities owned by the SMA or Fund ("**Votes**"). In accordance with its Proxy Voting Policy, CBRE IM votes all Votes in the best interests of each SMA and Fund by maximizing the economic value of their relevant holdings, taking into account their relevant investment horizon, the contractual obligations under their relevant governing documents, and any other relevant facts and circumstances CBRE IM determines to be appropriate at the time of the vote. CBRE IM does not permit Voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is CBRE IM's general policy to vote or give consent on all matters presented to security holders in any Vote. However, CBRE IM reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent on any matter if, in the judgment of CBRE IM's Chief Compliance Officer (the "**CCO**"), or the relevant CBRE IM investment professional, the costs associated with voting such Vote outweigh the benefits to the relevant SMAs or Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant SMAs or Funds.

SMAs and Funds generally cannot direct CBRE IM's Vote.

The CCO has the responsibility to monitor Votes for any conflicts of interest, regardless of whether they are actual or perceived. All Voting decisions will require a mandatory conflicts of interest review by the CCO in accordance with these policies and procedures, which will include consideration of whether CBRE IM or any investment professional or other person recommending how to vote and/or CBRE IM's affiliates and their clients has an interest in how the Vote is voted that may present a conflict of interest. In addition, CBRE IM investment professionals are expected

to perform their tasks relating to the voting of Votes in accordance with the principles set forth above, according the first priority to the best interest of the relevant SMAs and Funds. The CCO will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the SMAs and Funds.

A copy of CBRE IM's Proxy Voting Policy, copies of relevant proxy logs identifying how proxies were voted in connection with an SMA or Fund are available to any Client or prospective client upon written request to: [privateinfra@cbreim.com](mailto:privateinfra@cbreim.com).

#### **Item 18 - Financial Information**

CBRE IM is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual or fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding since its inception.

#### **Item 19 - Requirements for State-Registered Advisers**

Not applicable.