

**FIRM BROCHURE
(PART 2A OF FORM ADV)**



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This Firm Brochure (this “Brochure”) provides information about the qualifications and business practices of Davis Investment Ventures, LLC (“DIV” or “Davis” or the “Company”). Additional information about DIV is also available on the SEC's website at <http://www.adviserinfo.sec.gov/>.

If you have any questions about the contents of this Brochure, please contact Robert Kubica at 617-451-1300 or by email at rkubica@thedaviscompanies.com.

The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “SEC”) or by any state securities authority, and references in this Brochure to DIV as a “registered investment adviser” are not intended to imply a certain level of skill or training.

ITEM 2 – MATERIAL CHANGES

DIV filed its last annual update to this Brochure on March 28, 2023. The following are the material changes from DIV's most recently filed Form ADV Part 2A:

1. Item 4: The Assets Under Management have increased as described in Section 4.E.
2. Item 5: The description of our allocation of expenses to client accounts has been clarified and updated.
3. Item 8: The description of the material risks associated with investing in commercial real estate assets has been updated and expanded.

We encourage all recipients to read this Brochure carefully and in its entirety.

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ITEM 4 – ADVISORY BUSINESS

A. Description of Firm and Principal Owner

Davis Investment Ventures, LLC (“**DIV**”), a Delaware limited liability company, was established in March 2012 to manage private, closed-end, commingled real estate investment funds. DIV is a registered investment adviser. Prior to forming DIV, Jonathan G. Davis founded The Davis Companies (“**Davis**”) in 1976. Davis has a history of more than 45 years of investing in, managing and developing commercial real estate in the United States for its own account and on behalf of high net worth and institutional investors.

DIV and Davis Management Company, LLC (“**DMC**”), DIV’s affiliated management company, are principally owned by an estate planning vehicle of Jonathan G. Davis and his family. DIV is managed by a 10-person senior executive team with an average of 30 years of real estate experience. Additional information relating to DIV’s management team can be found on Schedules A and B of the Form ADV Part 1. DIV’s headquarters is located at 125 High Street #2111, Boston, MA 02110. DIV’s investment management-related activities and compliance program administration are primarily handled within this office. DIV also maintains an office location at 55 Fifth Avenue, New York, NY 10003.

B. Types of Advisory Services Offered

DIV provides investment management services to one or more commingled private real estate investment funds and related co-investment entities (collectively, the “**Funds**” or “**Advisory Clients**”) sponsored by affiliates of DIV that serve as general partners of the Funds (collectively, the “**General Partners**”). All references to DIV in this brochure are intended to include the General Partners except where specifically noted otherwise. For more information on the Funds, see Item 7 below.

The Advisory Clients invest in debt and equity investments in real estate and real estate-related assets in the United States, including underperforming real estate assets, recapitalizations of assets or existing partnerships or entities, investing in or acquiring companies that are primarily engaged in investing in and/or operating real estate assets, performing, troubled and non-performing loans, strategic development, redevelopment and repositioning opportunities, and marketable commercial mortgage-backed securities, in accordance with the strategies set forth in each Advisory Client’s applicable offering documents and/or governing documents and agreements (collectively, the “**Governing Documents**”).

The investment objective of each Fund is to generate investment returns primarily through opportunistic and value add investing in a diversified portfolio of U.S. private real estate debt and equity investments, with a limited portion potentially invested in marketable real estate securities such as equity securities of real estate investment trusts (REITs) and commercial mortgage-backed securities. In connection with structuring the Funds’ investments, DIV has formed, and from time-to time will form as deemed appropriate, certain limited partnerships, co-investment vehicles, limited liability companies and corporations (commonly referred to in the industry as “blockers,” “special purpose vehicles,” and/or “alternative investment vehicles”), for tax-efficiency, regulatory and/or other purposes. All references to the “Funds” or “Advisory Clients” in this Brochure are intended to include references to such related investment vehicles.

DIV provides discretionary investment advisory services to manage and direct the investment and reinvestment of real estate-related assets for its Advisory Clients. Outside of providing investment management services to its Advisory Client, DIV offers no other investment advisory services. DIV does not perform any type of financial planning, quantitative analysis, tax planning or market timing services.

C. Tailoring Advisory Services to Individual Needs

DIV provides investment advice to the Funds and, as such, tailors its advisory services to comply with the investment objectives, guidelines and restrictions set forth in each Fund's Governing Documents. DIV neither tailors its advisory services to the individual needs of each Fund investor, nor accepts investor-imposed investment restrictions. In the case of single investor Advisory Clients, DIV may agree to investor-imposed investment restrictions that are approved by the Chief Executive Officer and President of DIV and reviewed and approved by DIV's Chief Compliance Officer from a compliance perspective.

Certain side letter agreements have been (and DIV anticipates in the future will be) entered into with certain large and/or strategic investors in DIV's multi-investor Funds. Such arrangements may have the effect of establishing additional rights or altering or supplementing the terms of the governing documents of the applicable Fund with respect to one or more such investors in a manner more favorable to such investors than those applicable to other Fund investors. These additional rights include reporting rights, advisory board participation rights, co-investment rights, liquidation rights, fee transferability rights, and/or other rights permitted as disclosed in the applicable Fund's governing documents and in accordance with applicable law. The Funds have the flexibility to enter into additional agreements granting other rights with certain large and/or strategic investors in connection with their admission to a Fund without the approval of any other Fund investor.

Co-investment opportunities have been (and DIV anticipates in the future will be) made available to Fund and non-Fund investors and are subject to certain investment thresholds. If such investors do not wish to take advantage of the offered co-investment opportunity, DIV will typically approach other investors not meeting the investment threshold or other appropriate third parties.

D. Wrap Fee Program

DIV does not offer or participate in wrap fee programs for its Advisory Clients.

E. Assets Under Management

As of December 31, 2023, DIV managed approximately \$2,262,460,845 of Regulatory Assets Under Management on a discretionary basis. It should be noted that for the purposes of calculating Regulatory Assets Under Management and consistent with SEC guidance, DIV included all funded capital contributions (to the extent not returned to investors) and unfunded capital commitments of the Funds managed by DIV. Affiliates of Davis have previously invested or may invest (subject to the terms of each Fund's Governing Documents) in certain single asset investments outside of the Funds. As single asset investments, these investments are not considered securities and, as such, are not included as Advisory Clients for the purposes of Davis' Form ADV.

ITEM 5 – FEES AND COMPENSATION

The following is a general description of fees, compensation and expenses of the Funds and other Advisory Clients. Differences exist from Advisory Client to Advisory Client, and certain Advisory Clients may not be charged certain fees, compensation, or expenses that are charged to other Advisory Clients. The Governing Documents of each Advisory Client describe the applicable fees, compensation and expenses in greater detail.

A. How DIV is Compensated for its Advisory Services.

As set forth in the Governing Documents, each Advisory Client pays to DIV or an affiliate of DIV an annual

management fee based on the total committed capital to the Advisory Client. The management fee schedule for each Advisory Client is determined at the time the Advisory Client is established and can be found in the Advisory Client's Governing Documents. Fees are negotiable, at the discretion of DIV. In its sole discretion, DIV, or an affiliated entity, may from time-to-time waive or reduce (and has waived or reduced) the management fees to be paid by any investor in an Advisory Client, including investors that are principals, employees or affiliates of DIV or relatives of such persons and for certain large or strategic investors.

With respect to Advisory Clients that are co-investment vehicles, any co-investment management fees received by a General Partner of the vehicle or by DIV are negotiated on a vehicle-by-vehicle basis. Any such co-investment management fees do not offset management fees paid to the General Partner or DIV by the Advisory Clients that participate in the co-investment.

In addition, as described in Item 6 below, the General Partner of each Advisory Client is entitled to receive incentive distributions from investment profits in certain circumstances.

B. Deduction of Fees

For all Advisory Clients, applicable fees are described fully in the Advisory Client's Governing Documents. DIV and/or its affiliates are paid in accordance with such Governing Documents, and fees are payable periodically depending on the nature of the fee as described in more detail below. To the extent applicable, an investment management fee is payable by an Advisory Client to DIV on a periodic basis in arrears (typically based on a percentage of the Advisory Client's: (i) aggregate capital commitments during the investment period and (ii) invested capital (plus amounts reserved for investment) thereafter). The Governing Documents generally do not require DIV to generate an invoice; instead, the Governing Documents generally authorize the General Partner of an Advisory Client to calculate the fees payable by the Advisory Client and disburse the funds from the Advisory Client's account to DIV.

C. Other Types of Fees and Expenses

Except as expressly set forth below, DIV allocates all fees or expenses related to the Advisory Clients on a pro rata basis unless: (i) the non-pro rata treatment is fair under the circumstances and (ii) prior to the charge, DIV provides written notice of the charge to each private fund investor that will be bearing a portion of the charge, along with a description of how it is fair under the circumstances.

General

Costs and expenses incurred in connection with the management of investments for, and the business affairs and administration of, an Advisory Client are charged to the Advisory Client in accordance with the Advisory Client's Governing Documents. In the case where certain costs or expenses relate to more than one Advisory Client, the applicable cost or expense is allocated utilizing the methodology described herein.

Offering Documents and Organizational Expenses

All expenses associated with organizing and offering of interests in an Advisory Client, whether it be a multi-investor Fund created to acquire, own and operating multiple investments or a single purpose entity created to hold one investment or co-investment, will be paid or reimbursed by the Advisory Client up to any expense cap included in the Governing Documents. The General Partner of an Advisory Client will be responsible for any costs in excess of such cap. The General Partner will pay, or cause to be paid, all fees of any placement agents retained to provide assistance with respect to the offering of interests in the Advisory Client (as set forth in more detail in Item 14 below).

Administrative and Operating Expenses

Except as expressly set forth in the applicable Governing Documents for an Advisory Client, the Advisory Client shall not bear or be responsible for (i) any costs or expenses which relate to DIV or the applicable General Partner's office space, facilities, utility services, supplies and necessary administrative and clerical functions, or (ii) the compensation and benefits of DIV's employees, except as outlined below.

An Advisory Client will bear or otherwise be charged the costs or expenses of the activities and operations of the Advisory Client, except as otherwise set forth in the Advisory Client's Governing Documents, including, without limitation:

- (i) All costs and expenses incurred in connection with identifying, evaluating, developing, negotiating, structuring and closing investments and investment opportunities (including the organization of and maintenance costs of any entity used for the acquisition of such investments), whether consummated or not consummated, and acquiring, originating, hedging, financing, owning, designing, permitting, managing, improving, operating, leasing, maintaining, disposing of or otherwise dealing with investments, including, without limitation, any investment banking, engineering, research, due diligence, construction, appraisal, environmental, travel (including airfare, transportation, food and lodging), legal and accounting expenses, any technology, hardware or software expenses relating to investment sourcing, management, accounting, development and construction services, any deposits and commitment fees and other fees and out-of-pocket costs related thereto, and the costs of rendering financial assistance to or arranging for financing for any assets or businesses constituting investments or for working capital or other Advisory Client purposes;
- (ii) All costs and expenses, if any, incurred in monitoring investments, including, without limitation, any engineering, environmental, payment processing, travel (including airfare, transportation, food and lodging), graphics, internal audit, appraisal, administration, legal and accounting expenses, software expenses and other fees, charges and out-of-pocket costs related thereto;
- (iii) All taxes, fees or other governmental charges levied against an Advisory Client;
- (iv) All costs related to litigation, threatened litigation, arbitration or other regulatory or tax proceedings, investigations or audits, other extraordinary expenses and indemnification (including any judgments or settlements paid in connection therewith) involving an Advisory Client (not including any costs related to litigation or threatened litigation between or among a General Partner, DIV and their respective affiliates and the directors, officers and employees thereof, or any indemnification with respect thereto);
- (v) All costs and expenses associated with accountants, administrators, servicers, appraisers, auditors, tax advisors, tax return preparers, custodians, consultants, paying agents, transfer agents, graphic designers, third party market research services and other professionals with respect to the Advisory Client and their respective activities, including the preparation and auditing of financial reports and statements and any training, compliance or other similar matters (including fund administration matters, such as post-closing costs relating to documenting the terms of any side letter), and costs associated with the distribution of financial and other reports to the Advisory Client's investors and costs associated with investor and Advisory Client advisory board meetings and any meetings of shareholders, partners, members or directors of any Advisory Clients other investor relations obligations, including travel (including airfare, transportation and lodging) costs related thereto;
- (vi) All brokerage commissions and other investment costs incurred by or on behalf of the any Advisory Client (but excluding any fees payable to any placement agent);

- (vii) The cost of, and expenses associated with, obtaining, reviewing and maintaining insurance for any Advisory Client and their respective assets (including, without limitation, cybersecurity insurance and/or errors and omissions liability insurance, director and office liability insurance and other insurance to protect covered persons);
- (viii) All costs and fees incurred in connection with the maintenance of bank or custodian accounts;
- (ix) All expenses incurred in connection with the registration or qualification for exemption from the registration requirements of the securities of the any Advisory Client under applicable securities laws or regulations (including, for the avoidance of doubt, any non-U.S. securities laws or regulations);
- (x) All costs and expenses associated with intermediaries and distributions that are required or advisable for an Advisory Client to accept commitments from non-U.S. jurisdictions, as applicable;
- (xi) All costs and expenses incurred in connection with negotiating, maintaining and closing of any indebtedness without the involvement of a third-party brokerage firm, including, in situations in which a third-party broker is not utilized, personnel costs of DIV or its affiliates attributable to obtaining financing for an investment or a market rate financing fee, as more particularly set forth below;
- (xii) All allocable information technology costs and expenses incurred in connection with the maintenance of data and other processing systems on behalf of the investments, including accounting system customizations, investor communication portals, asset management systems and securities trading systems;
- (xiii) All attorney fees and expenses incurred in connection with the business, administration and investments of the Advisory Client (including, but not limited to, the actual costs of using in-house lawyers and paralegals of DIV or its affiliates, as set forth below);
- (xiv) Property management, construction management, development management and leasing fees for services provided to the Advisory Client or its investments;
- (xv) Investment management fees; and
- (xvi) All expenses of the Advisory Client that are not normally recurring operating expenses.

Allocation of Expenses between Advisory Clients and Entities

Intra Fund Expenses

In the event that a Fund is comprised of more than one parallel fund, each parallel fund shall pay its pro rata share of expenses pursuant to the applicable Governing Documents, subject to any exclusions set forth therein for allocation of certain expenses exclusively to a specific parallel fund. For expenses associated with one specific parallel fund only (for example certain taxes or entity maintenance costs), the expense is paid by that parallel fund and not allocated among all parallel funds. For those expenses not paid directly by each parallel fund, one parallel fund will be designated as primary and will pay the expense and allocate those expenses among the applicable funds at the end of each quarter. At all times the balances in these accounts net to zero.

Inter Advisory Client Expenses

The Chief Financial Officer of DIV shall be responsible for the cost allocation for any costs and expenses that apply to more than one Advisory Client. The Chief Financial Officer will determine in his or her reasonable discretion if and to what extent a cost or expense should be shared and allocable between multiple Advisory Clients following the allocation methodologies described herein. Shared costs or expenses include, but are not limited to, certain insurance premiums and fees, software maintenance and services, investor and advisory board meetings, and investment monitoring subscriptions.

Allocation Methodology

Costs or expenses shall be allocated between Funds, co-investments, or single asset investments, and their underlying investments utilizing a methodology that is fair and equitable and on a *pro-rata basis* where applicable. The pro-rata calculation utilized shall depend on the type and characterization of cost or expense.

Regulatory, Examination or Compliance Fees

DIV does not charge pass-through fees or expenses associated with regulatory, examination or compliance fees or expenses of DIV.

Other Fees

The General Partner and DIV utilize DMC or another affiliate to provide certain property management, leasing, development and construction management services for which the affiliate receives fees. All fees shall be documented by invoice with supporting calculations prior to payment pursuant to the agreements executed for such services. All affiliate services provided shall also be governed by the applicable Governing Documents of the Advisory Client and charged at market or below market rates. Affiliate fees attributable to an Advisory Client organized with an Advisory Board (as defined below) are subject to disclosure to the Advisory Board and auditors.

The General Partner of an Advisory Client has elected (and may in the future elect) to utilize personnel employed by DIV or its affiliates to perform or augment services that it would otherwise hire third-party professionals to perform. In these instances, DIV will follow the guidelines below in determining the rates that personnel or services are billed to an Advisory Client.

Legal Expenses

DIV, through DMC, provides in-house legal services (the “In-House Legal Services”) for the benefit of Advisory Clients. The In-House Legal Services are provided by DMC’s general, senior and associate counsel, as well as a paralegal, and are billed to the Advisory Clients on an hourly basis. The In-House Legal Services are primarily transaction related, and the costs thereof are allocated to each individual investment of the Advisory Clients as leasing, acquisition or financing costs for such individual investment. The hourly rates billed by DMC for each in-house attorney or paralegal shall be no greater than the hourly rates charged by private practice attorneys and paralegals with comparable seniority and experience, and in total shall not exceed DMC’s actual direct and indirect costs to employ in-house personnel, as set forth below.

The billing rates for In-House Legal Services are reviewed annually by DIV’s Chief Operating Officer, Chief Financial Officer, General Counsel and Chief Compliance Officer to ensure that such rates remain at or below-market. This review includes benchmarking the billing rates against a survey, which may be

generated internally or by a third-party, of the rates of personnel of comparably situated law firms. Without limiting the generality of the foregoing, the billing rates are established in accordance with the relevant Governing Documents of the Advisory Clients and the applicable provisions of DIV's compliance manual. DIV will not increase the hourly billing rates charged by any in-house attorney or paralegal more often than annually and, prior to any increase, the below analysis must be performed and confirmed by the Chief Operating Officer, Chief Financial Officer, General Counsel and Chief Compliance Office.

In order to ensure compliance with these requirements, attorneys and paralegals in the legal group track their time based on the actual time spent on each applicable matter, investment, or transaction, as well as non-billable matters that are not charged to DIV's Advisory Clients and investments. On an annual basis, the Chief Operating Officer, Chief Financial Officer, General Counsel and Chief Compliance Officer review a year-to-date modified cash basis profit and loss report to ensure (a) compliance with the relevant sections of the applicable Governing Documents governing legal expenses, (b) all fee revenue and expenses are recorded in the books and records in an accurate manner and on a timely basis such that they are adequately reflected in the departmental profit and loss, and (c) all supporting documentation for fee revenue and expenses are maintained in accordance with DIV's document retention policy. This annual review includes a review of the allocation for billable and non-billable time to confirm that the revenues attributed to the realized billable hours of the legal group do not exceed the actual expenses and costs for the legal group, including, without limitation, payroll, taxes, bonuses, and the vested fair value balance of deferred compensation incurred but not yet paid.

If the revenues attributable to the legal group exceed the actual costs of the legal group, DMC, in order to ensure that DMC does not bill revenues in excess of actual costs, will modify fees charged and rebate the investment vehicle, entity or investment for a portion of the fees charged such that no profit is realized. All such fee modifications shall be applied on a *pro rata* basis such that no individual investment vehicle, entity or investment is unduly advantaged or disadvantaged.

Financing Expenses

To the extent that debt financing for an individual investment is required, DIV may elect to utilize personnel employed by DIV or its affiliates in lieu of contracting with a third-party financing broker ("**In-House Finance Staff**"). In such an event, the applicable Advisory Client(s) will reimburse DIV or its affiliates for personnel costs attributable to the financing in accordance with the applicable Governing Documents. In lieu of being reimbursed for personnel costs attributable to the financing, DIV or its affiliates has the right to receive a market rate financing fee.

The in-house financing services include the sourcing, negotiating and closing of indebtedness for an investment. In such cases where In-House Finance Staff is used for a financing assignment in lieu of a third party, the cost of such services will be reimbursed to DIV or its affiliates in accordance with the applicable Advisory Client Governing Documents; however, notwithstanding the foregoing, any fee for service charged, based on a percentage of the gross loan amount or an hourly rate for personnel dedicated to the financing pursuant to the Governing Documents, shall be no greater than the rate charged by a qualified third-party firm staffed with finance professionals with comparable seniority and experience. Fees for financing services are reviewed annually by DIV's Chief Operating Officer, Chief Financial Officer, General Counsel and Chief Compliance Officer in order to ensure that they remain at or below-market. The review includes benchmarking the fee rates against a survey, which may be generated internally or by a third-party, of the fees charged by comparably situated investment or mortgage banking firms.

Construction, Development, and Marketing Expenses

With respect to certain property management, development and property-related marketing services, DIV affiliates DMC and TDC Development Group, LLC (“**TDG**”) may elect to employ certain employees to be dedicated to development, property management or marketing activities at an Advisory Client property in lieu of hiring and compensating a third party to perform such roles. In such event, provided that (a) a third party would need to be engaged in the absence of such employee, (b) the cost for such role is included in the approved business, operating, or development plan, as applicable, as a property level expense, and (c) the employee’s time and work allocation are tracked and documented, the costs of such employee may be allocated to the properties or projects proportionately based on the amount of time such employee is dedicated to such properties or projects, as applicable, and reimbursed to DMC or TDG, as applicable. Reimbursements include base compensation, amortized bonus compensation and fringe benefits.

Each such employee’s manager manages the allocation of the employee’s time commitment between properties and projects on a case-by-case basis and adjustments are made as needed based on the time being spent by such employee on each underlying investment.

D. Payment of Fees in Advance

The Advisory Client Governing Documents provide that investment management fees are paid monthly in arrears.

E. Compensation for Sales of Securities

DIV and its supervised persons are not compensated in connection with the purchase or sale of securities or other investments.

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

DIV, or an affiliated entity or affiliated persons, is entitled to incentive distributions to the extent returns to investors exceed certain profit thresholds. The calculation for these incentive distributions is performed pursuant to net distributable cash distribution priority “waterfalls” described in an Advisory Client’s Governing Documents. Differences in the calculation of incentive distributions for different Advisory Clients could create incentives to favor one Advisory Client over another. These potential conflicting incentives are generally mitigated by restrictions on forming a new Advisory Client that would compete with an existing Advisory Client for the same investments until the existing Advisory Client is substantially fully invested or its capital commitments are substantially fully committed/reserved for investment.

The possibility that DIV or affiliated entities or persons may receive performance-based compensation creates a potential conflict of interest in that it may create an incentive to make investments that are riskier or more speculative than in the absence of such a performance-based compensation. DIV believes this incentive is mitigated because of (i) the restrictions on commencing investment operations for successor competing Advisory Clients (as described above) and (ii) employees of the General Partner also invest in the Advisory Clients so that their interests should be aligned with the interests of each Advisory Client. Additionally, DIV’s investment allocation policies are designed to ensure all Advisory Clients are treated fairly and equitably in connection with investment allocations and prohibit the allocation of investments to an Advisory Client solely on the basis that DIV or an affiliate has a higher potential to earn incentive-based compensation if the investment were made by one Advisory Client versus another.

Please see Item 10 below for information on the allocation of investment opportunities between Advisory Clients, including co-investments by affiliates and third parties, and related conflicts of interest.

ITEM 7 – TYPES OF CLIENTS

DIV currently provides investment advisory services to private pooled investment funds and to co-investment vehicles (such as limited partnerships) formed for identified co-investors to co-invest in particular co-investment opportunities alongside one or more funds. Investment advisory services are provided directly to each Advisory Client, subject to the direction and control of its General Partner (an affiliate of DIV), and not individually to the investors in the Advisory Client. Interests in each Advisory Client are offered pursuant to applicable exemptions from registration under the Securities Act of 1933 (the “**Securities Act**”) and the Investment Company Act of 1940, as amended. Investors in an Advisory Client may include, but are not limited to, pension plans, insurance companies, investment banks, retail banks, corporate entities, sovereign wealth funds, endowments and foundations, trusts, family offices (both single and multi), high net worth individuals and “knowledgeable employees” as such term is defined in Rule 3c-5 of the Investment Company Act of 1940.

Admission to an Advisory Client is not open to the general public. Each investor must meet certain eligibility provisions whereby interests/shares are generally only offered to (i) U.S. investors who are (a) accredited investors within the meaning of Regulation D of the Securities Act or (b) qualified purchasers within the meaning of Section 2(a)(51) of the Investment Company Act of 1940, as amended; (ii) non-U.S. investors, and (iii) “knowledgeable employees”. Certain Advisory Clients may have specified minimum capital commitments or contributions from its investors, subject to the right of the General Partner of the applicable Advisory Client to accept commitments of lesser amounts.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Investment Strategies

DIV provides advice to the Advisory Clients to invest in real estate equity and debt investments. DIV pursues investment opportunities in the U.S. commercial real estate market, with a focus on the Northeast U.S. region. The Advisory Clients generally invest their assets in partnerships, private real estate investment trusts (“REITs”) and limited liability companies that are structured for the purpose of holding underlying real estate assets. In certain instances, DIV, on behalf of the Advisory Clients, invests in real estate assets through joint ventures with unaffiliated third-parties.

The investment themes and strategies vary between the Advisory Clients depending on when the Advisory Client is formed and commences investment activities; however, the Advisory Clients will typically invest in the following real estate asset classes: (i) industrial; (ii) self-storage; (iii) life science/high-intellectual workplaces/advanced research and development; (iv) residential; (v) office; (vi) hotel; (vii) retail properties; (viii) alternative real estate investments, including emerging real estate asset classes such as recreational vehicle parks; and (ix) marketable real estate securities such as equity securities of REITs, real estate operating companies and CMBS. The specific strategy for an Advisory Client is set forth in its Governing Documents. Across strategies, DIV seeks to source investment opportunities where an Advisory Client can: (i) identify emerging changes in demand or use ahead of wide recognition by other real estate investors; (ii) acquire real estate assets at a discount to intrinsic value; (iii) employ DIV’s vertically integrated platform to create value and improve asset-level operating performance; and (iv) exit its investments into a deepened pool of buyers as a result of improved property cash flows and asset desirability.

DIV believes that nimble and value-oriented investment discipline, hands-on operating skills, longstanding relationships, deep market knowledge and sophisticated transaction experience are key components to successful real estate investing across market cycles. Each Advisory Client seeks to continue the firm's history of acquiring assets at prices below intrinsic value where DIV can utilize its vertically integrated platform in sourcing, underwriting, managing, repositioning and/or structuring investments.

B. Method of Analysis

Strategy Formation and Investment Sourcing

For each DIV Fund, its Governing Documents set forth the Fund's investment strategy and targeted asset focus based on DIV's research and real-time market perspective from its existing portfolio and information gathered from DIV's network of market and industry participants. While DIV anticipates that the key asset class targets will remain consistent through the investment period of a Fund, the relative opportunity between sectors and markets is subject to change over the investment period. Within each strategy, DIV seeks to opportunistically source investments through DIV's network of relationships with brokers, owner/operators, banks, special-servicers, insurance companies, partners, tenants and institutional investors, with the goal of leveraging its reputation and transaction history to acquire assets prior to a formal marketing process or after a failed sale process. Many of the opportunities that are expected to be considered for a Fund will involve overlooked or underutilized assets that are in the path of growth and likely to require some level of redevelopment, development or adaptive reuse, lease-up and management improvement. With experience in loan origination, loan servicing and workouts, DIV is also positioned to opportunistically source debt investments and to pivot toward distressed investing, should market conditions warrant.

Screening

Through its weekly Investments meeting, DIV reviews potential investment transactions, selecting only what it believes are the most compelling opportunities for further underwriting. At the Investments meeting, potential new investment opportunities are reviewed by the Investments team and initial feedback is provided by several senior members of the DIV team, including the Chief Investment Officer, the Chief Executive Officer, the President, the Chief Portfolio Management Officer, the Chief Development Officer and the Head of Equity Capital Markets. DIV's experience in real estate investment, management and development yields a thorough screening process when targeting value creation opportunities, developing solutions to complex problems impairing value and understanding and evaluating risks.

Underwriting

After screening, DIV selects investments based on the perceived price-versus-value relationship of the investment and the potential to create value through DIV's integrated approach to investment execution. DIV's understanding of the markets it targets guides the underwriting process and creative thinking about the highest and best use of each target acquisition. Investments are thoroughly underwritten, with input from DIV's Investments, Asset Management, Development, Property Management and Finance teams, in an effort to confirm that there is sufficient underlying asset value and to understand potential risks and sensitivities. For loan investments, both a performing loan analysis and a non-performing loan-to-own analysis are evaluated.

Due Diligence

DIV's due diligence effort brings together its vertically integrated Investments, Asset and Property Management, Development, Legal and Finance teams to quickly and thoroughly vet all underwriting assumptions prior to closing on a new acquisition in a process that involves active participation from all of

DIV's senior management team. DIV's relationships within the leasing and investment sales brokerage communities across multiple markets are similarly leveraged to affirm market assumptions. Furthermore, DIV leverages its in-house research capabilities to provide market data and projections. All assets are physically inspected by several senior members of DIV and its due diligence team prior to making an equity commitment. Third-party experts are engaged to provide further evaluation of environmental, structural and other conditions.

Asset Management, Property Management, Development, and Finance

After acquiring an asset, the Asset Management, Property Management and, where appropriate, Development teams execute the day-to-day aspects of the asset's business plan, monitor the asset's investment and market conditions and recommend actions to optimize the asset's investment performance or to adjust its business plan and strategy if market conditions so dictate. This can include improving tenancy through proactive leasing, repositioning, marketing, rebranding, physical improvements, active property management, optimizing operating efficiencies, refinancing, addressing deferred maintenance items, entitling additional development rights, pursuing ground up development or significant renovations/redevelopments.

DIV's team also oversees and implements its targeted joint ventures with local operators, as well as its platform and programmatic joint venture programs where DIV seeks to capitalize on unique opportunities with, often emerging, third-party partners. These investments have included: investing in debt and securities in times of credit market dislocation; building platforms to acquire institutional scale in markets that exhibit fractured, unsophisticated ownership; utilizing programmatic joint ventures to onboard sector specific expertise required to execute on unique or arcane opportunities; investing in markets where DIV is focused on expanding its geographic footprint to capture demographic and knowledge-driven demand.

The Asset Management, Property Management and Development teams collaboratively oversee leasing, capital improvement programs and property management, and, collectively with the Finance and Accounting teams, source debt financing for investments, compile quarterly asset reports that reforecast cash flows, track performance to budget and discuss any updates to respective business plans. These reports, including asset-level strategies, are reviewed and finalized quarterly by a subset of the firm's Investment Committee.

Dispositions

Depending on an asset's investment profile, location within a market or submarket and timing within an economic cycle, DIV will adapt its disposition approach to pursue the best possible outcome on behalf of an Advisory Client. Throughout an asset's projected holding period, DIV regularly evaluates where the greatest depths of the capital market are and tailors its value-add strategy to meet that market demand. For most assets, DIV will pursue a broadly marketed, competitive sales process; however, DIV has also had success in maximizing investment returns in appropriate cases by aggregating and marketing sub portfolios, directly targeting a short list of qualified buyers, or leveraging DIV's in-house legal team to creatively structure exits. Hold periods typically range from three to five years and properties are generally sold to core, income-oriented investors.

Investment Committee Role

DIV's Investment Committee, which is comprised of senior members of DIV, typically meets weekly to discuss the transaction pipeline, investment approval and pricing, due diligence issues and asset business plan execution updates. Approval of a majority of the Investment Committee members, including the

approval of Jonathan Davis (CEO) and Quentin Reynolds (CIO), is required before an Advisory Client will undertake an investment transaction.

Advisory Boards

Each Fund has an advisory board (each, an “**Advisory Board**”) comprised of voting members appointed by the General Partner from the Fund’s investors who are not affiliated with DIV. The General Partner of each Fund has the right to designate additional non-voting members to the Advisory Board who are also Fund investors not affiliated with DIV. An Advisory Board will typically meet semi-annually (as required pursuant to a Fund’s Governing Documents) or upon request of the General Partner to consult on various matters, including financial statements, asset valuations, property services and affiliate fees, the status of existing investments, potential conflicts of interest and such other matters as the General Partner determines.

C. Material Risks

An investment in any of DIV’s Advisory Clients presents potentially significant risks. Investing in real estate, securities, and other investments in which the Advisory Clients invest entails a risk of loss that investors should be prepared to bear. The material risks to an investor in an Advisory Client are detailed in the private placement memorandum for each Advisory Client that is delivered to each investor. There can be no assurance that an Advisory Client’s investment objectives will be achieved, and an investor must be prepared to bear capital losses which might result from investments. All prospective investors are advised to carefully consider the risk factors before deciding to purchase the interests. These risks include, but are not limited to:

General Business and Investment Risks

Investing in real estate will expose the Advisory Client to a high degree of risk. Real estate historically has experienced significant fluctuations and cycles in value and an Advisory Client may buy and/or sell investments at less than optimal times. The marketability and value of an Advisory Client’s investments will depend on many factors beyond the control of such Advisory Client. The ultimate performance of the Advisory Client’s investments will be subject to varying degrees of risk generally incident to the ownership and management of interests in, or related to, real property. The ultimate value of an Advisory Client’s investments depends upon the Advisory Client’s ability to identify, acquire, develop and dispose of investments in a profitable manner. Revenues may be adversely affected by changes in national or international economic conditions; changes in local market conditions due to changes in general or local economic conditions and neighborhood characteristics; the financial condition of tenants, buyers and sellers of properties; competition from prospective buyers for, and sellers of, other similar properties; changes in interest rates and in the availability, cost and terms of financing; the impact of present or future environmental legislation and compliance with environmental laws; changes in tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; civil unrest; acts of God, including earthquakes, hurricanes and other natural disasters; acts of war; acts of terrorism (any of which may result in uninsured losses); adverse changes in zoning laws; and other factors that are beyond the control of the Advisory Client. In the event that any of the properties that comprise or secure the Advisory Client’s investments experience any of the foregoing events or occurrences, the value of and return on such investments would be negatively impacted.

Competitive nature of the Advisory Client’s business. An Advisory Client may be competing for suitable investments with other prospective purchasers that have greater resources than the Advisory Client, or that have better relationships with particular sellers of assets, lenders or brokers. These competitors may have different investment objectives than the Advisory Client, enabling them to accept more risk or pay higher

prices than are deemed reasonable or appropriate for the Advisory Client. In addition, the Advisory Client's properties may face competition for quality tenants from other properties. These factors may affect the Advisory Client's ability to invest the capital commitments.

Lack of liquidity of investments. Real estate investments are relatively illiquid. Such illiquidity may limit an Advisory Client's ability to modify its portfolio of investments in response to changes in economic and other conditions. Illiquidity may result from the absence of an established market for investments as well as the legal or contractual restrictions on their resale. In addition, illiquidity may result from the decline in value of a property comprising or securing an Advisory Client's investments. There can be no assurances that the fair market value of any investments held by an Advisory Client will not decrease in the future, leaving the Advisory Client's investment relatively illiquid. Furthermore, dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. The possibility of a partial or total loss of capital exists.

Advisory Clients are subject to credit risk. Each Advisory Client is subject to credit risk, i.e., the risk that an issuer or borrower will default in the payment of principal and/or interest on an instrument. Credit risk also includes the risk that a counterparty to a derivatives instrument (e.g., a swap counterparty) will be unwilling or unable to meet its obligations. Financial strength and solvency of an issuer or borrower are the primary factors influencing credit risk. In particular, with respect to CMBS and related investments in which an Advisory Client may invest, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect an Advisory Client's credit risk. There are no restrictions on the credit quality of an Advisory Client's investments. Securities in which an Advisory Client may invest may be deemed by ratings agencies to have substantial vulnerability to default in payment of interest and/or principal. Other securities may have the lowest quality ratings or may be unrated. In the case of below-investment-grade (or unrated) CMBS and related investments, these securities will generally be subordinated to other more "senior" securities of the same issue or series. The default-related risks of the underlying mortgages or assets will be severely magnified in subordinated securities. Default risks may be further pronounced in the case of CMBS and related investments secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying mortgage loans or assets. Accordingly, these securities may experience significant price and performance volatility with respect to a variety of market and non-market factors.

In general, credit risk is broadly gauged by the credit ratings of the securities in which an Advisory Client invests. However, ratings are only the opinions of the agencies issuing them, may change less quickly than relevant circumstances, are not absolute guarantees of the quality of the securities and are subject to downgrade. Credit ratings and ratings agencies have been criticized for ratings which did not fully reflect the risks of certain securities, or which did not reflect such risks in a timely manner. Furthermore, an Advisory Client's assets may not be rated by any rating agency or may be below investment grade. An Advisory Client will be more dependent upon DIV's judgment as to the credit quality of such unrated securities. Therefore, DIV's capabilities in analyzing credit quality and associated risks will be particularly important, and there can be no assurance that DIV will be successful in this regard.

An Advisory Client is dependent on the investment manager and its key personnel. The ability of the investment manager to manage an Advisory Client's affairs successfully will depend on its management team and its ability to identify, structure and manage investments. DIV relies on the experience, relationships and expertise of its management team and key employees. There can be no assurance that these individuals will remain in DIV's employ or otherwise continue to be able to carry on their current duties throughout an Advisory Client's term. The loss of the services of any of such individuals could have a material adverse effect on an Advisory Client's operations. In addition, DIV and its affiliates have investments in real estate in which an Advisory Client does not have an ownership interest. Consequently,

certain members of the management team may have conflicts in allocating their time and services among the Advisory Client and other ventures they may be involved in.

Conflicts of interests – other investment activities of DIV. DIV and its affiliates manage and/or have significant ownership interests in a large number of properties. Any properties in which an Advisory Client may have an ownership interest may be in direct competition with properties and entities in which DIV or its affiliates have an ownership or management interest, and DIV or its affiliates may be subject to conflicts of interest with respect to the sale, management, or financing of properties owned by an Advisory Client or owned by entities in which an Advisory Client has an ownership interest. DIV and the management team of an Advisory Client may devote significant time to the management of other client accounts or investment entities sponsored by DIV.

Transactions with affiliates. DIV and its affiliates may provide additional services to an Advisory Client's assets and investments, including property management, leasing, loan servicing, construction management, development and legal and financing services. These are services that would typically be performed for the Advisory Client's properties by third parties. Any such fees will be solely for the account of DIV and its affiliates, as applicable, and will not be shared with the Advisory Client or offset against the management fees payable by the Advisory Client. DIV recognizes conflicts of interest exist when using an affiliated service provider. DIV requires that the terms of any engagement with an affiliate must be no less favorable to the Advisory Client than it would be if DIV were to retain on arm's length basis the services of a comparable and suitable unaffiliated third party (taking into account relevant factors as deemed appropriate in DIV's reasonable discretion (including, but not limited to, the third party service provider's quality of services (including willingness and ability to customize services as deemed appropriated by DIV), reputation, track record and scale of operations). In an effort to ensure that the fees received by its affiliates are commercially reasonable, DIV periodically conducts (or retains a suitable vendor to conduct) a survey of fees charged by comparable service providers for the above-mentioned services in the relevant property markets. Additionally, DIV employs its affiliates only where it determines that the benefits of using these affiliates outweigh the concerns about the potential conflict of interests. These benefits may include, amongst others, better alignment of interests, higher quality of services (including as a result of lower personnel turnover relative to turnover levels at comparable third-party service providers), efficiencies in communication, and economic reporting efficiencies.

An Advisory Client may invest in distressed assets. An Advisory Client may make investments in non-performing or other distressed assets that involve a high degree of financial risk and there can be no assurance that an Advisory Client's investment objectives will be realized or that there will be any return of capital to the investors. Furthermore, investments in properties operating in work-out modes or under bankruptcy protection laws may, in certain circumstances, be subject to additional potential liabilities that could exceed the value of an investor's original investment. In addition, under certain circumstances, payments to an Advisory Client and distributions by an Advisory Client to its investors may be reclaimed if any such payments or distributions are later determined to have been fraudulent conveyances or preferential payments under applicable law.

An Advisory Client may not have control over its investments. In certain situations, an Advisory Client may (a) acquire only a minority interest in a company or other asset in which it invests, (b) rely on independent third party management with respect to the operations of a company or other asset in which it invests, (c) acquire only a participation in an asset underlying an investment or (d) acquire a subordinate loan position with respect to a company or an asset in which it invests and, therefore, may not be able to exercise control over the management of such company or investment. An Advisory Client may also co-invest with third parties through partnerships, joint ventures or other entities, thereby acquiring non-controlling interests in certain investments. Although an Advisory Client may not have control over these investments and, therefore, may have a limited ability to protect its position therein, the applicable General

Partner and DIV expect to negotiate appropriate rights to protect the Advisory Client's interests. Nevertheless, such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third party partner or co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Advisory Client, or may be in a position to take action contrary to the Advisory Client's investment objectives. An Advisory Client also may, in certain circumstances, be liable for the actions of its third-party partners or co-venturers.

Cybersecurity. DIV, the Advisory Clients, and each Advisory Client's investments generally rely on information technology systems for current and planned operations. Information and technology systems of DIV and each Advisory Client's investments may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time, or cease to function properly, DIV, an Advisory Client, and/or an investment may have to make a significant investment to fix or replace them. Any disruption in any of these systems or the failure of any of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect an Advisory Client's investment results, and its ability to make distributions to its investors. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in DIV's, an Advisory Client's, and/or an investment's operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm DIV's, the Advisory Client's, or an investment's reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Global Pandemic and Other Force Majeure Risks. Investments made by an Advisory Client may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including an Advisory Client, an Advisory Client investment or a counterparty thereof) to perform its obligations until it is able to remedy the force majeure event. These risks could, among other effects, adversely impact the cash flows available from a portfolio company, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to an Advisory Client or an investment of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on an Advisory Client or an Advisory Client investment. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which an Advisory Client may invest specifically. Any of the foregoing may therefore adversely affect the performance of an Advisory Client and its investments.

The impact of disease and epidemics may have a negative impact on an Advisory Client and its properties and their performance and financial position. Outbreaks of epidemics could result in health or other government authorities requiring the closure of offices or other businesses and could also result in a general economic decline.

Financial Institution Risk. An investment in an Advisory Client is subject to the risk that one of the Advisory Client's banks, brokers, hedging counterparties, lenders or custodians of some or all of the Advisory Client's assets fails to perform its obligations or experiences insolvency, closure, receivership or

other financial distress or difficulty. These failures can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a financial institution experiences such an event, the Advisory Client may not be able to access deposits, draw on letters of credit, use borrowing facilities, access its subscription credit facility, or use other services for an extended period of time or ever. If the financial institution has custody of an Advisory Client's assets and experiences a failure or insolvency, the safekeeping of those assets and the ability to retrieve those assets will be compromised and the Advisory Client may experience a loss.

Recent Developments in the Escrow and Title Company Sector. Recent cybersecurity issues within the U.S. escrow and title company sectors have caused uncertainty in relation to the ability to close on real estate transactions in a timely manner. Such actions can delay distributions when an Advisory Client sells a property and delays the ability to put Advisory Client funds to work where money is locked up in escrow.

Intangible / Non-Cash Benefits. In addition, it should be noted that DIV and its employees may receive certain intangible and/or other benefits and/or perquisites arising or resulting from their advisory activities on behalf of the Advisory Clients and their property investments. Consequently, the direct or indirect costs of such activities may be incurred as Advisory Client expenses, including property-level expenses. Such benefits may include, among other things, "miles", "rewards" or "points" or other benefits of loyalty/status programs. All such benefits and/or amounts, whether or not de minimis or difficult to value, will inure exclusively to such employee (and not to Advisory Clients and/or asset level investments) even though the cost of the underlying service is borne by the Advisory Clients and/or their investments.

Risks Relating to an Investment in the Funds

An investment in a Fund involves a high degree of risk and reliance on management. An investment in a Fund requires a long-term commitment, with no certainty of return. Generally, the Funds are discretionary funds. Accordingly, investors will not have an opportunity to evaluate or approve specific investments prior to investing. Investors will be relying on the ability of DIV and the applicable General Partner to identify, consummate and manage investments. The investors or members have no right or power to take part in a Fund's management, other than by voting on certain other matters as provided in the applicable Governing Documents. Accordingly, no person should purchase an interest in a Fund unless such person is willing to entrust all aspects of a Fund's management to the General Partner and DIV, as the investment manager.

The past performance of the investment manager is not a predictor of future results of a Fund. The investment manager's performance and the performance of any Fund is dependent on future events and are, therefore, inherently uncertain. The track record of the investment manager cannot be relied upon to predict future performance due to a variety of factors, including varying business strategies, changes in personnel, different local and national economic circumstances, different supply and demand characteristics, varying degrees of competition and varying circumstances pertaining to the real estate markets. Furthermore, there can be no assurance that a Fund's investments will meet the Fund's targeted internal rate of return.

No market for interests in a Fund. Interests in a Fund are not transferable or assignable except with the consent of the applicable General Partner, which generally may be withheld by the General Partner in its sole discretion, and transfers are subject to the terms and conditions of the applicable Fund's Governing Documents. Further, voluntary withdrawal from a Fund by an investor is not allowed. In addition, transfer of interests may be affected by restrictions on re-sales imposed by federal and state securities laws. No Fund interests are registered under the Securities Act or any state securities laws and Fund interests may not be transferred unless registered under applicable federal and state securities laws or unless an exemption from such laws is available. DIV has no plans, and is under no obligation, to register any Fund interests under the Securities Act. No market exists for the interests, and none is expected to develop. Therefore,

an investment in a Fund should be considered illiquid and should only be made by persons that are able to bear the risk of their investment in the interests for an extended period of time.

Funds will not be registered under the Investment Company Act. No Fund is currently, and will not in the future be, registered under the Investment Company Act. As a result, a Fund will not be subject to the provisions of the Investment Company Act that apply to registered investment companies. These provisions, among other things (1) place restrictions on certain investment practices, such as short sales and leverage, (2) require securities held in custody for the account of the investment company to be segregated from the securities of any other person and marked to clearly identify the securities as the property of the investment company, and (3) regulate the relationship between the investment company and its investment adviser and its affiliates. If a Fund fails to qualify for exemption from registration as an investment company, its ability to use leverage would be substantially reduced and it may be unable to conduct its business as described herein. Any such failure to qualify for such an exemption could have a material adverse effect on the applicable Fund.

Diverse Investor Group. Investors in a Fund may have conflicting investment, tax, and other interests with respect to their investments in the Fund. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring or the acquisition of investments and the structure, timing, or manner of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by DIV, including with respect to the nature or structuring of investments or dispositions, that may be 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 Fund, DIV will consider the investment and tax objectives of the Fund and its investors as a whole, not the investment, tax or other objectives of any investor individually.

Conflicts of interests – Carried Interest Distributions. Each Fund's General Partner will receive a carried interest in the Fund's profits. The existence of the General Partner's carried interest in a Fund's profits may create an incentive for the General Partner to make more speculative investments on behalf of the Fund than it would otherwise make in the absence of such carried interest. Although employees of DIV are investing their own capital in the Funds alongside that of the other investors, the General Partner's interests may under some circumstances differ from those of a Fund or its investors. Such conflicting interests could potentially affect the decisions of the applicable General Partner in purchasing, holding and disposing of the investments of the Fund.

If an investor defaults, it may be subject to various remedies. If an investor defaults in making its required capital contributions to a Fund, the investor may be subject to various remedies including, without limitation, forfeiture of its interest in the Fund. If an investor defaults or is excused from an investment, it may be difficult for the Fund to make up the shortfall from other sources, which may be detrimental to the Fund. The other investors may be required to make additional contributions to replace such shortfall, thereby reducing the diversification of their investments. If an investor fails to fund any capital call when due, and the capital commitments made by non-defaulting investors and borrowings by a Fund are inadequate to cover the defaulted capital contribution, the Fund may be unable to pay their obligations when due. As a result, the Fund may be subjected to penalties that could materially and adversely affect the returns to the investors.

Investors may be required to fund an aggregate amount in excess of capital commitments. Under certain circumstances, proceeds distributable (or previously distributed) to the investors may be retained or recalled and reinvested by the general partners or investment manager or used to meet Fund liabilities. Accordingly, because of such recycling, it is possible that investors may have to fund an aggregate amount in excess of their capital commitment.

U.S. federal income tax risks. The investors may be obligated to pay tax arising from phantom income. The investors will be required to take into account their allocable share of a Fund's items of income, gain, loss, deduction and credit, without regard to whether they have received or will receive any distributions from the applicable Fund. Thus, each investor may be taxed on its distributive share of the taxable income of a Fund regardless of whether such investor receives any actual cash distributions from such Fund. Accordingly, an investor's tax liability for any taxable year attributable to its investment in a Fund may exceed (and perhaps to a substantial extent) the cash distributed to that investor during the taxable year. Consequently, investors should plan to satisfy any tax obligations arising from their investment in a Fund from sources other than distributions from the Fund.

A Fund may generate unrelated business taxable income taxable to certain tax-exempt investors and effectively connected income taxable to non-U.S. investors. Although the applicable General Partner or DIV may intend, but are not obligated, to form alternative feeder, parallel or other investment vehicles in order to address certain tax, legal or other regulatory considerations, a Fund nevertheless may generate unrelated business taxable income ("UBTI") and income effectively-connected with the conduct of a U.S. trade or business ("ECI"), including possibly gains attributable to the disposition of US real property interests subject to so-called "FIRPTA" tax.

Risks associated with REIT tax qualification. In order to minimize the taxes payable by certain tax exempt and non-U.S. investors, the applicable General Partner and DIV may form a real estate investment trust (a "REIT") as either a vehicle for those and other investors to invest in a Fund or parallel Funds, or a vehicle through which the Funds may make some or all of its investments. If a Fund forms a REIT, the REIT will endeavor to qualify as a REIT for tax purposes. However, qualification as a REIT involves the application of highly technical and complex Internal Revenue Code provisions for which only a limited number of judicial or administrative interpretations exist. Failure to comply with these requirements, even if inadvertent, could jeopardize a REIT's tax status. Furthermore, new tax legislation, administrative guidance or court decisions, in each instance potentially with retroactive effect, could make it more difficult or impossible to qualify or continue to qualify as a REIT. If a REIT fails to qualify as a REIT in any tax year, unless the REIT was eligible for certain provisions granting relief, then:

- the REIT would be taxed as a regular domestic corporation, which under current laws, among other things, means being unable to deduct distributions to its shareholders in computing taxable income and being subject to federal income tax on its taxable income at regular corporate rates;
- the REIT would be required to pay taxes and, thus, its cash available for distribution to its shareholders (e.g., the Funds and, in turn, the Funds' investors) would be substantially reduced for each of the years during which the REIT did not qualify as a REIT; and
- the REIT may also be disqualified from re-electing REIT status for the year of the disqualification and the four taxable years following the year during which it became disqualified.

In order to qualify as a REIT for federal income tax purposes, a REIT is required to continuously satisfy tests concerning, among other things, its sources of income, the nature and diversification of its investments, the amounts it distributes to its shareholders and the ownership of its stock. A REIT may be forced to dispose of an asset in order to stay in compliance with such tests. A REIT may also be required to make distributions to its shareholders at disadvantageous times or when it does not have funds readily available for distribution. The REIT provisions of the Internal Revenue Code could limit a Fund's ability to hedge the REIT's financial assets and related borrowings. Thus, compliance with REIT requirements could hinder a Fund's ability to operate solely with the objective of maximizing profits.

Risks Associated with Real Estate

An Advisory Client may acquire direct and indirect equity interests in real estate developments. To the extent that an Advisory Client invests in such development activities, it will be subject to the risks normally associated with such activities, including, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the Advisory Client, such as weather or labor conditions, fluctuations in the price of materials or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the financial condition and results of operations of an Advisory Client and on the amount of funds available for distribution to its investors.

Potential environmental liabilities. Under various U.S. federal, state and local laws, ordinances and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such enactments often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. For example, the current owner of a parcel of land may be liable for environmental problems at, or emanating from, the parcel of land that were caused by a past owner or current operator of the site. The cost of any required remediation and the owner's liability remediation as to any property is generally not limited under such enactments and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate such substances, may adversely affect the owner's ability to sell the real estate or to borrow using such property as collateral. In addition, remediated property may attract a limited number of potential purchasers because of the property's history of contamination, which might also adversely affect the owner's ability to sell the property. Further, a transfer of property does not relieve from liability a person who owned the property at a time when hazardous or toxic substances were disposed of on, or released from, such property. In addition, noncompliance with environmental regulations may allow a governmental authority to order the owner/operator to cease operations at the property or to incur substantial costs and expenses to bring the property into compliance through the implementation of burdensome remediation or prophylactic measures. Finally, it is also possible that the owners of properties with significant contamination could be exposed to property damage in personal injury claims by adjoining or nearby landowners or residents.

To reduce the possibility of liability under environmental laws, an Advisory Client may hire environmental consultants prior to making an investment. In addition, where DIV deems it appropriate, an Advisory Client will seek to obtain indemnities from sellers, purchase environmental insurance or hold title in limited liability entities. There can be no assurance that environmental laws relating to real estate transactions will not be amended in the future in ways that could adversely affect the investments made by an Advisory Client.

Unanticipated problems and undisclosed liabilities. An Advisory Client may acquire existing real estate from third parties, including off-market and non-intermediated transactions, portfolio acquisitions and future purchase transactions. There can be no assurance that unanticipated problems and undisclosed liabilities or contingencies will not arise with respect to the acquired properties or that the acquired properties will achieve the anticipated rental rates or occupancy levels factored into the pricing of the transaction. Investments involve a number of risks inherent in assessing the values, strengths, weaknesses and profitability of properties as well as the potential improvements needed to increase financial returns.

Leasing delays or tenant bankruptcies. An Advisory Client may receive a portion of its income as lease payments, and the returns from investments in real estate often may depend to a large extent on the amount of rental income generated from the properties and the expenses incurred by managing the properties, as

well as on changes in their market value. The market values are in turn affected by the rental income realizable on, and expenses associated with, the properties. Rental income received by an Advisory Client and the value of its properties may be adversely affected by the cyclical nature of the real estate market, the perceptions of prospective tenants of the attractiveness, convenience and safety of the locations, the levels of demand and supply of commercial properties, competition from other real estate owners, changes in market rental rates, the inability to collect rents because of bankruptcy or insolvency of tenants or otherwise, the periodic need to renovate, repair and release space, costs of maintenance and insurance and increased operating costs.

An Advisory Client has no control over the success or failure of tenants' businesses, and, at any time, any tenant may experience a downturn in its business that may weaken its financial condition. As a result, tenants may delay lease commencements or renewals, fail to make lease payments when due or declare bankruptcy. If tenants are unable to comply with lease terms, an Advisory Client or a vehicle owned (directly or indirectly) by the Advisory Client may be forced to modify lease terms in ways that are unfavorable, declare a default, repossess the property, find a suitable replacement tenant, operate the property or sell the property. There is no assurance that an investment made by an Advisory Client could be leased at all or on terms substantially similar to or better than those of the prior lease, successfully repositioned for other uses, successfully operated or sold on terms that are favorable to the Advisory Client. A tenant bankruptcy could also delay an Advisory Client's efforts to collect past-due balances under the relevant lease and could ultimately preclude full collection of these sums.

Upon the expiration of leases, leases may not be renewed by existing tenants, the space may not be released to new tenants or the terms of renewal or re-leasing (including the cost of required renovations or concessions to tenants) may be less favorable to the Advisory Client than previous lease conditions. If an Advisory Client is unable to re-let or renew lease contracts promptly, if the rentals upon such renewal or re-leasing are significantly lower than expected or if the Fund's reserves for these purposes (if any) prove inadequate, the Advisory Client's results from operations, financial condition and the value of its real estate assets could be adversely affected.

Risks associated with the use of leverage. DIV (or the applicable General Partner) will utilize leverage with the goal of enhancing Advisory Client returns. An Advisory Client's failure to obtain leverage at the contemplated levels, or to obtain leverage on attractive terms, could have a material adverse effect on the Advisory Client. The use of leverage has the potential to magnify the gains or losses on an Advisory Client's investments and to make the Advisory Client's returns more volatile. Furthermore, the use of leverage will subject an Advisory Client to risks normally associated with debt financing, including the risk that the Advisory Client's cash flow will be insufficient to meet required payments of principal and interest, the risk that indebtedness on the investments will not be able to be refinanced and the risk that the terms of such refinancing will not be as favorable as the terms of the existing indebtedness. Moreover, if an Advisory Client is required to deleverage as a result of changing market conditions, to comply with the limitations on its ability to leverage or otherwise, it may be forced to sell investments at inopportune times or at disadvantageous prices. An Advisory Client may incur indebtedness in which recourse is not limited to specific assets of the Advisory Client and indebtedness that is collateralized by more than one Advisory Client asset. In addition, an Advisory Client may incur indebtedness that may bear interest at variable rates. Variable rate debt creates higher debt service requirements if market interest rates increase, which would adversely affect the Advisory Client. An Advisory Client may engage in transactions to limit its exposure to rising interest rates as it deems appropriate and cost effective, which transactions could expose the Advisory Client to the risk that counter parties to such transactions may not perform and cause the Advisory Client to lose the anticipated benefits therefrom, which would have the adverse effects associated with increases in market interest rates.

Fluctuations in interest rates. An Advisory Client may employ various hedging strategies to limit the effects of changes in interest rates (and in some cases credit spreads), including engaging in interest rate swaps, caps, floors and other interest rate derivative products. No strategy can completely insulate an Advisory Client from the risks associated with interest rate changes and there is a risk that they may provide no protection at all and potentially compound the impact of changes in interest rates. Hedging transactions involve certain additional risks, such as counterparty risk, the legal enforceability of hedging contracts, the early repayment of hedged transactions and the risk that unanticipated and significant changes in interest rates may cause a significant loss of basis in the contract and a change in current period expense. An Advisory Client cannot give any assurances that it will be able to enter into hedging transactions or that such hedging transactions will adequately protect the Advisory Client against the foregoing risks. In addition, cash flow hedges which are not perfectly correlated (and appropriately designated/documented as such) with a variable rate financing will impact an Advisory Client's reported income as gains and losses and the ineffective portion of such hedges will be recorded.

Availability of insurance against certain catastrophic losses. Each Advisory Client will seek to obtain liability, fire, flood (if required), extended coverage and rental loss insurance for its investments with such insured limits and policy specifications as the General Partner and DIV believe are customary. However, certain losses of a catastrophic nature, such as those caused by wars, mold, earthquakes, hurricanes, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates as to adversely impact the Advisory Client's profitability. In general, losses related to terrorism are becoming harder and more expensive to insure against. Most insurers are excluding terrorism coverage from their all-risk policies. In some cases, insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total cost of casualty insurance for a property. As a result, it is possible that not all of an Advisory Client's portfolio investments will be insured against damages attributable to acts of terrorism. If a major uninsured loss were to occur with respect to a portfolio investment, and Advisory Client could lose both its invested capital and anticipated profits related to such portfolio investment.

An Advisory Client may not achieve its targeted rate of return on its investments. An Advisory Client will make investments based on the General Partner's and DIV's estimates or projections of internal rates of return and current returns, which in turn are based on, among other considerations, assumptions regarding the performance of the Advisory Client's assets, the amount and terms of available financing and the manner and timing of dispositions, including possible asset recovery and remediation strategies, all of which are subject to significant uncertainty. In addition, events or conditions that have not been anticipated may occur and may have a significant effect on the actual rate of return on an Advisory Client's investments.

Real Estate Investments. The Advisory Clients invest in equity and debt investments related to real estate. Real estate historically has experienced significant fluctuations and cycles in value and an Advisory Client may buy and/or sell investments at less than optimal times. The marketability and value of an Advisory Client's investments will depend on many factors beyond the control of the Advisory Client, DIV, the applicable General Partner and their respective affiliates. The ultimate performance of an Advisory Client's investments will be subject to the varying degrees of risk generally incident to the ownership and management of interests in, or related to, real property. The ultimate value of an Advisory Client's investments depends upon the Advisory Client's ability to identify, acquire, develop and dispose of investments in a profitable manner.

Revenues may be adversely affected by, among other things: changes in national or international economic conditions; changes in local market conditions due to changes in general or local economic conditions and neighborhood characteristics; local conditions (such as an oversupply of space or a reduction in demand for real estate in an area); the philosophy of management; the financial condition of tenants, buyers and sellers of properties; competition from prospective buyers for, and sellers of, other similar properties; the ability

of the owner to control variable operating costs; changes in interest rates and in the availability, cost and terms of financing; the impact of present or future environmental legislation and compliance with environmental laws; changes in tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; civil unrest; acts of God, including earthquakes, hurricanes and other natural disasters; acts of war; acts of terrorism (any of which may result in uninsured losses); adverse changes in zoning laws; adverse zoning determinations; and other factors that are beyond the control of an Advisory Client. In the event that any of the properties that comprise or secure an Advisory Client's investments experience any of the foregoing events or occurrences, the value of and return on such investments would be negatively impacted.

Office Properties. An Advisory Client may invest in office properties and properties with an office component. The value and successful operation of such investments are subject to the risk of leasing the property, the underlying market fundamentals with respect to office assets, the ability of tenants to make their lease payments, the failure of tenants to extend a lease upon its expiration, physical attributes of the property, employees working from home and remote work arrangements, supply, and other various factors that are outside of the General Partner's or DIV's control. In the event of a default by any tenant in a property in which an Advisory Client has an interest, the Advisory Client may experience delays and costs in enforcing its rights as a landlord to recover amounts due under the terms of the lease.

Multifamily Properties. An Advisory Client may invest in multifamily properties. A large number of risk factors may affect the value and successful operation of such properties, including, but not limited to: physical attributes of the property such as its age, condition, design, appearance, access to transportation and construction quality; location of the property; ability of management to provide adequate maintenance and insurance; the types of services or amenities that the property provides; the property's reputation; the level of mortgage interest rates and availability of government incentives, which may encourage tenants to purchase rather than lease housing; presence of competing properties; the tenant mix, such as the tenant population being predominantly students or being heavily dependent on workers from a particular business; adverse local or national economic conditions, which may limit the amount of rent that may be charged and may result in a reduction of timely rent payments or a reduction in occupancy levels; state and local regulations, which may affect the building owner's ability to increase rent to the level of market rents for an equivalent apartment; government assistance/rent subsidy programs; and the inventory of unsold condominium units in the local market that are being rented until economic conditions in the condominium market improve.

In addition, certain jurisdictions regulate the relationship between an owner and its tenants. Commonly, these laws require a written lease, good cause for eviction, disclosure of fees and notification to residents of changed land use, while prohibiting unreasonable rules and retaliatory evictions. In addition to U.S. federal, state and/or local regulation of the landlord-tenant relationship, some counties and/or municipalities impose rent control on apartment buildings. These ordinances may limit rent increases to fixed percentages, to percentages of increases in the consumer price index, to increases set or approved by a governmental agency or to increases determined through mediation or binding arbitration. Additionally, an Advisory Client's property may be subject to eviction moratoriums that could negatively impact the Advisory Client's ability to complete its business plans and hinder its ability to manage its investments.

Life Science/High Intellectual Workplace/Advanced R&D. An Advisory Client may invest in life science/high intellectual workplace/advanced research and development properties. The value and successful operation of such investments are sensitive to a number of risk factors including, but not limited to: the quality of tenants; the particular focus of such tenants within the life science industry; the physical attributes of the building in relation to competing buildings (e.g., age, condition, design, appearance, location, access to transportation and ability to offer certain amenities, such as sophisticated building systems and/or business wiring requirements); the physical attributes of the building with respect to the

technological needs of the tenants, including the adaptability of the building to changes in the technological needs of the tenants; supply of similar type buildings; compliance with applicable government requirements; the availability of sublease space; the impact of economic conditions on the local market and the building's tenants; the ability of tenants to raise capital; the cost to buildout tenant spaces; and the desirability of the area as a business location. Certain life science/high intellectual workplace/advanced research properties may also require specific updates or infrastructural improvements that may involve greater expenditure than traditional office space (e.g., upgrades to electrical, gas and plumbing infrastructure, HVAC systems, laboratory benchwork, increased floor-to-ceiling clear heights, reinforcement of concrete floors or roof structures, enhancement of environmental control technology) and such infrastructural needs may vary depending on the particular tenant and/or their particular focus in the life science industry. Given that different life science industry tenants may require different features in order to lease a property depending on their particular focus within the life science industry, an Advisory Client may incur substantial expenditures to modify the property upon a tenant's inability to pay rent before such property can be re-leased to another life science industry tenant. In addition, certain life science properties may be more susceptible to particular hazards and accidents including, without limitation, fires, leaks, contaminations, chemical spills and physical injury, and the liability and costs which may arise out of the occurrence of any such event could be considerable and borne by the Advisory Client. To the extent any of the foregoing risk factors are heightened or the conditions associated with such risk factors deteriorate, an Advisory Client's investments in life science/high intellectual workplace/advanced research properties may incur losses.

The life science/high intellectual workplace/advanced research industry spends heavily on research and development and in relatively new technologies. Certain new technologies are more costly and time-consuming to reach viability and industry tenants may have difficulty establishing a market presence. In addition, the research and development, clinical testing, manufacture and marketing of certain life science industry tenants' products and technologies may require significant outlays of funds as well as federal, state and foreign regulatory approvals, which such approval process might be long, expensive and uncertain. Without the required funding or approvals, a tenant's business may fail which could adversely impact the success of one or more life science/high intellectual workplace/advanced research properties.

Self-Storage Properties. An Advisory Client may invest in self-storage properties. Self-storage properties are subject to all operating risks common to the self-storage industry, including but not limited to decreases in demand for rental spaces in a particular locale, changes in supply of similar or competing self-storage facilities in an area, changes in market rental rates, and inability to collect rents from customers. Significant factors determining the value of self-storage properties include: the location of the property (including proximity to customers and accessibility to major roadways and other transportation routes), the demand for rental spaces in a particular locale, changes in supply of similar or competing self-storage facilities in an area, properties becoming functionally obsolete, building design and adaptability, inability to collect rents from customers and changes in market rental rates.

The self-storage properties that an Advisory Client invests in will compete with other self-storage properties in their geographic markets. As a result of competition, such self-storage properties could experience a decrease in occupancy levels and rental rates, which may negatively impact the performance of an Advisory Client's self-storage investments. Self-storage properties compete in operations and for acquisition opportunities with companies that have substantial financial resources. Competition may reduce the number of suitable acquisition opportunities offered to an Advisory Client.

Campground and RV Community Properties. An Advisory Client may invest in campground and recreational vehicle ("RV") community properties. The campground and RV industry may be influenced by many national and regional economic and demographic factors, including: the terms and availability of financing for retailers and consumers; overall consumer confidence and the level of discretionary consumer

spending; population and employment trends; and income levels and general economic conditions, such as inflation. Due to the seasonality of this sector (with demand generally increasing in the spring and summer months and decreasing in the fall and winter months), there may be significant fluctuations in the revenue, net income and cash flows with respect to any campground or RV community property, and the possible adverse impact from other risks associated with this sector, including extreme weather and consumer spending levels, is potentially greater if any such risks occur during peak sales seasons.

Because RV communities and campgrounds are primarily used by vacationers and campers, an economic downturn that affects discretionary spending and disposable income for leisure-time activities (as a result of, including but not limited to, job loss, bankruptcy, higher consumer debt and interest rates, reduced access to credit, higher energy and fuel costs and/or shortages of gasoline and diesel fuel, relative or perceived cost, availability and comfort of RV use versus other modes of travel, such as air travel and rail, falling home prices, lower consumer confidence, uncertain or changes in tax policies, uncertainty due to national or international security or health concerns, volatility in the stock market, or epidemics such as COVID-19) could adversely affect cash flows to such properties.

In addition, campground and RV community properties are usually specific-use properties and may contain features or assets that have limited alternative uses. These properties may also have distinct operational functions that involve specific procedures and training. If the operations of any of these properties become unprofitable due to industry competition, operational execution or otherwise, it may not be feasible to operate them for another use and the value of certain features or assets used at these properties, or the properties themselves, may be impaired. If any of these events occur, the financial condition of and cash flows from these properties could be adversely impacted.

Retail Properties. An Advisory Client may invest in retail properties or properties that have a retail component. The value and successful operation of these investments are sensitive to a number of risk factors, including, but not limited to: changes in consumer spending patterns; local competitive conditions (such as the supply of retail space and the existence or construction of new competitive shopping centers); the bankruptcy or distress of tenants; the availability of sublease space; alternative forms of retailing (such as direct mail, video shopping networks and internet websites, which reduce the need for retail space by retail companies), including the increased demand for alternative forms of retailing as a result of COVID-19; the safety, convenience and attractiveness of the retail properties to tenants and their customers or clients; the public perception of the safety, convenience and attractiveness of the shopping center of customers at shopping centers; the need to make major repairs or improvements to satisfy the needs of major tenants; traffic patterns and access to major thoroughfares; and unemployment rates in the local economy.

The general strength of retail sales also directly affects the retail properties. If retail sales by tenants in an Advisory Client's retail properties were to decline, the rents that are based on a percentage of revenues may also decline, and tenants may be unable to pay the fixed portion of their rents or other occupancy costs. The cessation of business by, or bankruptcy, of a significant tenant can have a material adverse effect on an Advisory Client's retail properties, not only because of rent and other factors specific to such tenant, but also because significant tenants at the properties play an important part in generating customer traffic and making the properties a desirable location for other tenants.

In addition, the use of the Internet by consumers continues to gain in popularity. The migration toward e-commerce is expected to continue, as evidenced by recent large mergers and acquisitions in the e-commerce space, including the acquisition of "brick-and-mortar" grocery retailers by large e-commerce companies. An increase in internet sales for retail products could result in a downturn in the business of an Advisory Client's current tenants in their "brick-and-mortar" locations and could affect the way future tenants lease space. While an Advisory Client will devote considerable effort and resources to analyzing and responding to consumer trends, preferences and spending patterns, and targeting retail properties trading at an attractive

going in basis, it cannot predict with certainty what future tenants will want, what future retail spaces will look like and how much revenue will be generated at traditional “bricks-and-mortar” locations. If an Advisory Client is unable to anticipate and respond promptly to trends in the market because of the illiquid nature of real estate, its occupancy levels and financial results could suffer.

Industrial Properties. An Advisory Client may invest in industrial properties. The value and successful operation of such investments are sensitive to a number of risk factors, including, but not limited to: the location of the property (including proximity to supply sources and customers and accessibility to rail lines, major roadways and other distribution channels and transportation routes); the quality of tenants; a reduced demand for industrial space because of a decline in a particular industry segment; the property becoming functionally obsolete; building design and adaptability; scarcity of labor sources; changes in access; energy prices; strikes; relocation of highways; the construction of additional highways or other factors; changes in proximity of supply sources; and the expenses of converting a previously adapted space to general use. Concerns about the quality of tenants, particularly major tenants, are similar in both office properties (as discussed above) and industrial properties, although industrial properties may more frequently be dependent on a single or a few tenants.

A particular industrial or warehouse property that suited the needs of its original tenant may be difficult to re-let to another tenant or may become functionally obsolete relative to newer properties. Also, properties used for many industrial purposes are more prone to environmental concerns than other property types. Further, because of unique construction requirements of many industrial properties, many vacant industrial property spaces may not be easily converted to other uses. Thus, if the operation of an industrial property becomes unprofitable due to competition, age of the improvements or other factors, the liquidation value of that industrial property may be substantially less than would be the case if the property were readily adaptable to other uses.

Healthcare and Healthcare-Related Properties. An Advisory Client may invest in healthcare facilities and healthcare-related properties. The healthcare industry and the operation of healthcare facilities are heavily regulated by federal, state and local governmental bodies. For example, transfers of operations of certain healthcare-related facilities are subject to regulatory approvals not required for transfers of other types of commercial operations. Tenants that operate healthcare facilities are generally subject to laws and regulations covering, among other things, licensure, certification for participation in government programs and relationships with physicians and other referral sources. Changes in these laws and regulations, and the failure of operators to comply with or continue to comply with them, could negatively affect their ability to operate their facilities.

Further, state and local laws may also regulate expansion, including the addition of new beds or services or acquisition of medical equipment, and the construction of medical facilities, by requiring a certificate of need (“CON”), or other similar approval. State CON laws are not uniform throughout the United States and are subject to change. DIV is not able to predict the impact of state CON laws on the operators of the facilities in which it invests. In addition, state CON laws often materially impact the ability of competitors to enter into the markets where an Advisory Client holds investments. In limited circumstances, loss of state licensure or certification or closure of a facility could ultimately result in loss of authority to operate the facility and require new CON authorization to re-institute operations. As a result, a portion of the value of the facility may be reduced, which would adversely impact the success of an Advisory Client’s investment.

Other laws may also impact how operators of an Advisory Client’s investments conduct business and therefore may affect the success of these investments. Those laws include but are not limited to: federal and state laws designed to protect the confidentiality and security of patient health information; state and local licensure laws; laws protecting consumers against deceptive practices; laws generally affecting the management of healthcare properties and equipment and how operators of healthcare facilities generally

conduct their operations, such as fire, health and safety, and environmental laws; federal and state laws affecting healthcare facilities mandating quality of services and care, and quality of food service; resident rights (including abuse and neglect laws); and health standards set by the U.S. Occupational Safety and Health Administration.

Hospitality Properties. An Advisory Client may invest in hospitality properties. Operating risks common to the hotel industry may cause deteriorations in, or delays in the improvement of, the operating performance of hospitality properties and consequently impact the cash flows from and the values of an Advisory Client's investments. These risks include, but are not limited to: heightened travel security measures instituted in response thereto, travelers' fears of epidemics and contagious diseases, changes to travel patterns by group and transient customers, changes in operating costs, disputes with property managers and franchisors pursuant to the associated property management and franchisor agreements, and the condition of the airline industry. Decreases in airline capacity could further reduce demand for hotel rooms in the properties in which an Advisory Client may invest, and in turn, further depress the revenue per available room of such properties. The reduction of room rates or offering of comparable incentives (including free nights) by competitive hotel properties could further exert downward pressure on room-night demand for, and consequently room rates of, hotel properties in which an Advisory Client may invest.

Hospitality properties are also subject to certain operating risks affecting a particular property. For example, if a property's occupancy or room rates drop to the point where its revenues are insufficient to cover its operating expenses, additional funds, including reserves, will need to be expended to cover such property's operating expenses. More so than other property types, hospitality properties are saddled with an ongoing obligation to make renovations and other capital improvements in order to stay competitive, including replacements, from time to time, of furniture, fixtures and equipment, particularly if the hotel is a branded hotel. This obligation is subject to the risks that cash flow from operations and reserves may be inadequate to fund capital improvements, financing for these capital improvements may not be available to an Advisory Client's properties on affordable terms, and market demand for hotel properties following the undertaking or completion of capital improvements may not exist or may diminish. Consequently, the costs of these capital improvements could negatively impact the financial condition of an Advisory Client's investments and in turn the amount of cash available for distribution to the Advisory Client's investors.

Certain hotels acquired by or invested in by an Advisory Client may be managed by third-party hotel management companies pursuant to management agreements (or, with respect to certain hotels, a lease for the entire hotel property which contains terms similar to traditional hotel management agreements). Under the terms of these management agreements, the third-party hotel managers control the daily operations of the hotels and are typically compensated with a base management fee tied to revenues generated from operations and in many cases, an incentive management fee based on achieving specific performance thresholds. Accordingly, a hotel's business and operating results can depend in large part upon the performance of these hotel management companies under their management agreements. While an Advisory Client may seek to reposition its hotel properties and make management changes, there is no guarantee that a third-party management company (or operating lessee) for any given hotel property will meet the performance objectives desired by the Advisory Client.

In addition, hotel properties may not readily be converted to alternative uses if they were to become unprofitable due to competition, age of improvements, decreased demand or other factors. Moreover, the conversion of a hotel to alternative uses would generally require substantial capital expenditures.

Real Estate Loans. An Advisory Client may acquire and originate debt investments in U.S. real estate and real estate-related investments. Such real estate loans, at the time of their acquisition or thereafter, may be non-performing for a wide variety of reasons. Such non-performing real estate loans may require substantial workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in

the interest rate and a substantial write-down of the loan principal and/or purchasing senior loans. Further, even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such real estate loan, replacement “takeout” financing will not be available. Purchases of participations in real estate loans raise many of the same risks as investments in real estate loans and also carry risks of illiquidity and lack of control. It is possible that the General Partner of an Advisory Client may find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by the Advisory Client. The foreclosure process varies from jurisdiction to jurisdiction and can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan, including, without limitation, lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action. During foreclosure proceedings, a borrower may have the ability to file for bankruptcy or its equivalent, potentially staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property.

Commercial real estate loans are generally not insured or guaranteed by any person or entity, governmental or otherwise. If a default occurs, recourse generally may be had only against the specific properties and other assets that have been pledged to secure the loan. Consequently, payment prior to maturity is dependent primarily on the sufficiency of the net operating income of the properties that directly or indirectly secure the loan. Payment at maturity is primarily dependent upon the market value of the properties that directly or indirectly secure the loan and the borrower’s ability to sell or refinance the properties that directly or indirectly secure the loan. Although commercial real estate loans generally are non-recourse in nature, certain such loans contain non-recourse carve-outs for liabilities such as those arising as a result of fraud by the borrower, certain voluntary insolvency proceedings or other matters. However, certain commercial real estate loans either do not contain non-recourse carve-outs or contain material limitations to non-recourse carve-outs. Often these obligations are guaranteed by an affiliate of the borrower, although liability under any such guaranty may be capped or otherwise limited in amount or scope. Furthermore, certain guarantors may be foreign entities or individuals which, while subject to the domestic governing law provisions in the guaranty and related mortgage loan documents, could nevertheless require enforcement of any judgment in relation to a guaranty in a foreign jurisdiction, which could, in turn, cause a significant time delay or result in the inability to enforce the guaranty under foreign law. Additionally, the guarantor’s net worth and liquidity may be less (and in some cases, materially less) than amounts due under the related mortgage loan or the guarantor’s sole asset may be its interest in the related borrower. Certain commercial real estate loans may have the benefit of a general payment guaranty of a portion of the indebtedness under the commercial real estate loan. In all cases, however, commercial real estate loans should be considered to be non-recourse obligations and no party has made any representation or warranty as to the obligation or ability of any borrower or guarantor to pay any deficiencies between any foreclosure proceeds and the commercial real estate loan indebtedness.

Seed Investments. Prior to the initial closing of a Fund (or other Advisory Client), affiliates of the General Partner may invest capital in the Fund in order to permit the Fund to invest directly or indirectly in certain seed investments. There can be no assurance that such seed investments will perform as projected or achieve desired investment results. Further, none of the General Partner, DIV or their affiliates can provide any guarantee of the value of any seed investments as of the initial closing of a Fund or thereafter.

“Bad Boy” Guarantees. Lenders customarily require that a creditworthy parent entity enter into so-called “recourse carve-out” guarantees to protect the lender against certain bad faith or other intentional acts of the borrower in violation of the loan documents. A “bad boy” guarantee typically provides that the lender can recover losses from the guarantors for certain bad acts, such as fraud or intentional misrepresentations, intentional waste, willful misconduct, criminal acts, misappropriation of funds, voluntary incurrence of prohibited debt and environmental losses sustained by lender. In addition, “bad boy” guarantees typically

provide that the loan will be a full personal recourse obligation of the guarantor for certain actions, such as prohibited transfers of the collateral, changes of control and voluntary bankruptcy of the borrower. It is likely that the financing arrangements with respect to an Advisory Client's investments would generally require "bad boy" guarantees from the Advisory Client and in the event that such a guarantee is called, the Advisory Client's assets could be adversely affected. An Advisory Client may also provide "bad boy" guarantees on behalf of an alternative investment vehicle, co-investment vehicle or vehicle investing alongside the Advisory Client and as such guarantees are not for borrowed money, they will typically not be included as part the Advisory Client's outstanding leverage for purposes of calculating the overall debt leverage limit applicable to the Advisory Client. An Advisory Client may in certain circumstances, but shall not be required to, receive a fee or other consideration for providing guarantees for the benefit of another vehicle.

Bridge Investments. If an Advisory Client makes an investment with the intent of subsequently financing a portion of that investment, there is a risk that the Advisory Client will be unable to successfully complete such a financing. This could lead to the Advisory Client having a larger amount of capital invested in an investment than anticipated and reduced diversification.

Investment in Real Estate Companies. An Advisory Client may invest in companies that are primarily engaged in investing in and/or operating real estate assets, including investing in common stocks, preferred stocks, convertible securities and warrants issued by such companies. These securities may be traded on major stock exchanges or regional stock exchanges or may be publicly traded. The value of an Advisory Client's investments in such companies may fluctuate based on changes in the issuer's financial condition and prospects and on overall market and economic conditions. In addition, an Advisory Client's investments in such equity securities will be subject to the various risks of private equity investing, including, but not limited to, employment-related risks associated with personnel of portfolio companies invested in by the Advisory Client as well as risks associated with the reliance on the existing management team, or its successor(s), of a portfolio real estate company, including the risks associated with such management team's oversight of the day-to-day operations of such portfolio real estate company.

An Advisory Client may invest not only in securities of issuers with large market capitalizations, but also in securities of medium-cap, small-cap and micro-cap companies. Smaller companies often have limited financial resources and may depend on one or a few key people for management. The securities of such companies may be subject to more volatile movements than securities of larger, more established companies, both because the securities typically have traded in lower volume and because the issuers typically are more subject to changes in earnings and prospects.

Investments in Varying Capital Structures. An Advisory Client may acquire assets using a variety of capital structures, including direct investments in real estate, investment in debt and debt-like instruments secured by or related to real estate and investments in equity securities issued by public or private companies that are primarily engaged in investing in and/or operating real estate. Accordingly, the Advisory Client will be required to maintain expertise, relationships and market knowledge across a range of investment types and will be subject to the market conditions affecting each such investment structure in various markets. This approach could require more management time, staff support and expense than would be experienced by an Advisory Client whose focus is dedicated to a greater extent on a single investment.

ITEM 9 – DISCIPLINARY INFORMATION

There is no disciplinary information to report that is applicable to this Item.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. BROKER-DEALER REGISTRATION

Neither DIV nor any of its management persons are registered or have an application pending to register as a broker-dealer.

B. COMMODITY TRADING

Neither DIV nor any of its management persons are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

C. OTHER RELATIONSHIPS MATERIAL TO DIV'S ADVISORY BUSINESS

Potential Conflicts of Interest

For a more detailed disclosure of the potential conflicts of interest associated with investing in one of the Advisory Clients, prospective investors should refer to Item 8 above.

Performance & Management Fee Compensation

As described in Item 6 above, the performance compensation payable to the General Partners or their affiliated persons, and the management fees payable to DIV, may influence the members of a General Partner or DIV to make investments they would not otherwise make by providing a financial incentive to make investments with a greater risk/reward profile than would be the case in the absence of the such compensation.

Allocation of Investment Opportunities

DIV and/or its affiliates may, from time to time, be presented with investment opportunities that fall within the investment objectives of one or more Advisory Clients. If a Fund is in its investment period and has sufficient available capital for investment, it will have the right (subject to any restrictions, limitations and exceptions set forth in the Fund's Governing Documents) to acquire any investment identified by DIV that meets the Fund's investment objectives and strategy, diversification and leverage restrictions and other investment guidelines, and is within the Fund's capacity. DIV has adopted an investment allocation policy consistent with the Governing Documents of each Advisory Client in order to address potential conflicts of interest.

Allocation of Personnel

DIV and its affiliates will devote such time as shall be necessary to conduct the business affairs of its Advisory Clients in an appropriate manner. However, management agreements between DIV and the Advisory Clients do not impose any specific obligations or requirements concerning the specific amount of time or resources devoted to the affairs of the Advisory Clients. Personnel of DIV and its affiliates may work on other projects, and, therefore, conflicts may arise in the allocation of personnel time. In this regard, however, a core group of DIV real estate professionals will devote substantially all of their business time to the business related to the Advisory Clients.

Parallel Structures and Co-Investments

Many of the Advisory Clients are multiple parallel Funds established to address the legal, tax, regulatory or other concerns of certain investors, including DIV and its principals, employees and members. In the Fund context, DIV, at its discretion, has the right to establish one or more parallel partnerships, limited liability companies, corporations (which may or may not be intended to qualify as REITs), group trusts or other investment vehicles organized within or outside the United States through which such Fund investors may invest in Fund investments. Such a decision is made when DIV determines that such arrangements will not have a material adverse effect on any Fund investors and are reasonably expected to preserve in all material respects the overall economic relationship of the Fund investors had all investors invested in or through the same entity, except as may be necessary because of different legal, tax, regulatory or other constraints relevant to a particular parallel fund. Each parallel fund participates in the capital contributions, income, gains, distributions, losses, expenses and liabilities of each Fund investment on a side-by-side basis and in proportion to the relative aggregate Fund commitments. Each Fund investment will be disposed of concurrently and on the same terms and conditions by all parallel funds within the Fund structure.

Additionally, subject to the applicable Fund Governing Documents and co-investment policy, the General Partner of a Fund gives certain investors and/or third parties an opportunity to co-invest in particular Fund investments, or to provide financing to the Fund or any entity in which the Fund invests. The terms of any such co-investment will be set by the General Partner on a basis that the General Partner deems necessary or advisable. Subject to certain exceptions, the General Partner will first offer any co-investment opportunity to the Fund's co-investment eligible investors in accordance with the terms of the Fund's co-investment policy, before offering co-investment opportunities to other Fund investors, the sponsor or any of its affiliates, or any third parties.

The conditions, concessions and economic terms of any such co-investment by DIV or its affiliates will be set by the General Partner on a basis that the General Partner deems necessary or advisable and will be confidential to the investors unless the terms of such co-investment otherwise provide. Co-investment terms are typically included in an investor's side letter. Carried interest payable in connection with a Fund co-investment is paid pursuant to the applicable Fund Governing Documents. Any management fees received by DIV or its affiliates from any co-investment alongside a Fund will be retained by DIV or its affiliates.

DIV is highly focused on managing conflicts of interest and in cases where investments may be made by more than one Advisory Client. In addition, to the extent applicable, DIV will work closely with the Advisory Boards of the Funds to ensure that all potential conflicts of interest are properly managed.

Other Business Activities

Except as noted further below, DIV does not conduct other business in any material respect apart from DIV's management of the Advisory Clients. DIV personnel may serve as consultants, partners or stockholders of one or more investment funds, limited partnerships, or advisory firms and may act as directors, officers and/or employees of any bank, corporation or charitable foundation, trustees of any trust, executors or administrators of any estate, or administrative officials of any other business entity including affiliates.

Affiliates of DIV have made, and may in the future make, certain property acquisitions or recapitalizations on behalf of such affiliates, related persons and third parties via privately held structures. These acquisitions involve direct acquisitions or recapitalizations of properties (i.e., no securitization involved) and, as such, the structures holding these assets are not securities portfolios and not investment advisory clients of DIV. As such, these structures' assets are excluded from DIV's regulatory assets under management reported in this Brochure. These acquisitions do not pose a conflict interest for the Advisory Clients, as any such

investment is first considered and rejected for the Advisory Clients prior to any investment outside of the Advisory Clients taking place and all such investments are disclosed and, if required, approved or not rejected, as the case may be, by the applicable Advisory Board. As such, investment allocation-related conflicts related to operating these investments side-by-side with managing the Advisory Clients are unlikely to occur.

Valuation

Fair value measurement of assets is based on management's judgment and estimation in accordance with the valuation policies and procedures of DIV. Valuation methods, inputs and the pricing of events (such as an impairment, a sale, a recapitalization), that produce a realized or unrealized gain or loss that may be recognized are inherently subjective. There may be situations in which DIV's valuation procedures could adversely affect an investor's interest. See discussion of Valuation under Item 13.A for more details.

Policies and Procedures

DIV has adopted policies and procedures designed to address and mitigate potential conflicts of interest as it relates to DIV's regulatory requirements and contractual restrictions. These procedures will be revised as needed. See discussion of Code of Ethics under Item 11.A for more details.

Affiliate Services

From time to time, DIV or its affiliates may be engaged by an Advisory Client, or any property-owning entity in which an Advisory Client has invested, to provide loan servicing, property management, development management, construction management, legal services, financing services and leasing services, and paid competitive market-rate fees ("**Property Service Fees**") commensurate with the rates and fees charged by, and paid to, comparable service providers in the relevant market for such services. Property Service Fees are in addition to, and do not offset against or reduce, investment management fees paid by the Advisory Client.

Additionally, in certain instances, legal and financial professional services are provided by the in-house staff of DIV and/or its affiliates for the benefit of the Advisory Clients or their investments (as applicable). In such instances, DIV or its affiliates seeks reimbursement from the Advisory Clients or their investments (as applicable) for the time spent by such in-house professionals in providing such services (which time is tracked in a manner deemed reasonable by DIV). Such reimbursement will be undertaken at hourly rates equal to or less than the hourly rates charged by independent third-party professionals with comparable seniority and experience. DIV performs a market survey periodically to confirm the rates are at or below third-party professional with comparable seniority and experience. As with the use of affiliated service providers, DIV believes that such services provide cost savings to the Advisory Clients and/or their investments. Nevertheless, DIV acknowledges that such services implicate potential conflicts of interest for DIV and/or its affiliates and, as such, DIV has implemented conflicts of interest mitigation procedures similar to those DIV has implemented to mitigate conflicts of interest arising from the use of affiliated service providers. Please refer to "Transactions with Affiliates" in Item 8.C above for a detailed description of such controls DIV has implemented in connection with the provision of such in-house services.

A summary of these fees is disclosed annually to investors in the Advisory Client audited financial statements. Additionally, the use of affiliate fees is disclosed in the applicable Governing Documents. While the payment to DIV's affiliates for these services could be considered a potential conflict of interest, DIV manages this by undertaking periodic market surveys to ensure that affiliate fees charged for property management, development, construction management, legal, leasing, and financing services are in with the applicable market rates charged by third parties for such services for similar assets in the relevant markets.

In addition, each Fund's Advisory Board (as defined below in item 13.A) reviews all such fees on an annual basis.

D. RELATIONSHIPS WITH OTHER INVESTMENT ADVISERS

DIV or its affiliates will on occasion, on behalf of an Advisory Client, enter into joint venture arrangements with local operators or pooled investment vehicles managed by well-known institutional third parties which sometimes act as the operating partner. In certain joint ventures, an Advisory Client would have a controlling interest in the asset and DIV affiliates would be appointed as the asset and property manager. The terms of these joint ventures tend to follow market standard practices e.g., a substantial partner, even if a minority partner, can expect to have rights regarding major decisions and the ability to force exit or trigger a buy/sell for its interest after, in most instances, a lock-out period. Smaller joint venture partners may have no such rights. To the extent DIV or its affiliates conduct business through a third party, DIV and its affiliates perform due diligence to ensure that the third parties serve the best interests of the Advisory Client's investors.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Description of Code of Ethics

DIV has adopted a Code of Ethics (the “**Code**”) designed to comply with the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the “**Advisers Act**”). The Code applies to all DIV, DMC and Davis employees and sets forth DIV's standard of business conduct and fiduciary duty to the Advisory Clients. The Code includes policies and procedures governing personal trading activities, conflicts of interest, fair dealing, handling confidential information, handling material non-public information, accepting and providing gifts and entertainment, making political contributions, and engaging in outside business activities. The Code is intended to seek to ensure that all persons subject to the Code act in the best interests of the Advisory Clients and particularly, that each such person conducts his or her affairs, including personal securities transactions, in a manner as to avoid serving his or her own personal interests ahead of the Advisory Clients.

Further, all employees are required to promptly bring violations of the Code to the attention of DIV's Chief Compliance Officer. All employees are provided with a copy of the Code and are required to certify at least annually to their receipt, understanding and compliance with DIV's Code of Ethics. Among other requirements, the Code sets forth certain reporting and pre-clearance requirements with respect to personal trading, including investing in private placements and initial public offerings, by Access Persons. DIV's Access Persons must provide the Chief Compliance Officer with a list of their personal accounts and an initial holding report within 10 days of becoming an Access Person. Such Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Rule 204A-1. Clients or prospective clients may obtain a copy of DIV's Code by contacting the General Counsel, Managing Director & Chief Compliance Officer, Robert Kubica, at 617-451-1300 or by email at rkubica@thedaviscompanies.com.

B. Participation or Interest in Client Transactions

Certain employees and related parties of DIV invest in certain Funds for which DIV serves as investment manager or adviser. These employees or related parties do not pay a management fee to DIV or carried interest to the applicable Fund General Partner. These investments are made at the same time and on the

same terms (except as set forth above) as other Fund investors. These employees or related parties share in the profits and losses generated by those investments.

Besides owning interests in the same Funds, however, no person related with DIV is permitted to buy from, sell to, borrow from or lend to a Fund without the applicable Fund Advisory Board's (as defined below) approval, as more specifically set forth in the applicable Fund Governing Documents. Moreover, DIV's affiliates and related persons are subject to its policies and procedures regarding confidential or proprietary information, the information barriers and personal trading.

DIV generally does not execute cross transactions between Advisory Clients; however, a cross transaction could happen in the future. In the event that DIV does execute a cross transaction, DIV shall seek to ensure that such transaction and any related disclosures are made consistent with the Governing Documents of the Advisory Clients that are parties to the transaction and applicable laws (including obtaining any requisite approvals thereunder) and DIV's policies and procedures. Neither DIV nor any of its affiliates will receive compensation relating to executing cross transactions.

C. Conflicts of Interest

DIV employees invest alongside the Funds and co-investment vehicles. Certain conflicts of interest may arise based on such employees receiving a carried interest in the Funds and co-investment vehicles and the fact that such employees are afforded the opportunity to invest without the payment of management fees. The Advisory Clients have not historically invested in public securities other than certain CMBS positions. In the event an Advisory Client invests in public securities, potential conflicts of interest could arise in connection with the personal trading activities of DIV's employees.

In order to prevent such conflicts of interest, DIV's Code is designed to ensure that the personal securities transactions of DIV and its affiliates, officers and employees, and members of their families, do not conflict with transactions effected on behalf of the Advisory Clients. Access Persons (as defined in the Code) of DIV must (i) place the interests of the Advisory Clients and their investors first, (ii) avoid taking inappropriate advantage of their positions within the firm, and (iii) conduct their personal securities transactions in full compliance with the Code.

As required by Rule 204A-1 of the Advisers Act, DIV requires its Access Persons to report their securities transactions on at least a quarterly basis and disclose their securities holdings upon becoming an Access Person and on an annual basis thereafter. DIV also restricts the personal trading of its Access Persons. In particular, when applicable, DIV maintains a watch list containing the names of securities which Access Persons must pre-clear and may be prohibited from trading. DIV also maintains policies and procedures to prevent insider trading that are designed to prevent the misuse of material, non-public information. DIV's Access Persons are required to certify on an annual basis their compliance with such policies and procedures as well as the Code.

D. Recommendation and Sales of Securities

Please refer to the responses in Items 11.A, 11.B, and 11.C.

ITEM 12 – BROKERAGE PRACTICES

A. Selection of Broker-Dealers

Best Execution

DIV's advisory business generally involves privately negotiated transactions in which best execution obligations do not arise in the same context as transactions in publicly-traded securities. However, to the extent that DIV does purchase or sell publicly-traded securities on behalf of the Advisory Clients, it will in those circumstances seek to achieve the "best price and execution".

Generally speaking, this is a duty to execute securities transactions so that an Advisory Client's total costs or proceeds in each transaction are the most favorable under the circumstances. This duty generally begins with a requirement that DIV obtain the best price available for the securities in each transaction. However, DIV need not always pay the lowest possible commission or markup or markdown, but may take into account a number of factors, including a broker's trading expertise, reliability, responsiveness, reputation, execution, clearance, settlement and error correction capabilities, willingness to commit capital, access to a particular trading market, availability of securities to borrow or short sales, and the value of research it provides. When effecting Advisory Client transactions in securities, DIV will consider those factors and undertake to ensure that these transactions receive best execution. Those efforts generally include:

- Investment professionals monitoring the quality of execution.
- DIV employees checking reports of the trades as they are received against their time and sales quotes in electronic market data systems which display all price ticks in real time in order to ascertain compliance to given trade instructions and to verify accuracy of executions.

To the extent applicable, DIV's efforts in this area also include periodic reviews by investment professionals and the Chief Compliance Officer of the performance of broker-dealers.

Soft Dollars

DIV, as a matter of policy, does not affect soft dollar transactions and does not enter into soft dollar arrangements in respect of transactions for any Advisory Clients.

B. Aggregation of Transactions for Client Accounts

DIV provides investment advisory services to a select and limited number of distinct client portfolios at any given point in time, which primarily involve privately negotiated investments. Even in instances where DIV purchases publicly-traded securities, DIV will not be in a position to aggregate the purchase or sale of such securities for multiple client accounts.

ITEM 13 – REVIEW OF ACCOUNTS

A. Periodic Review of Client Accounts

Investment Reviews

The executive members of the Investment Committee, including the Chief Investment Officer and Chief Portfolio Management Officer, review each investment at the inception of the investment and routinely

review the portfolios over the life of an Advisory Client. As part of these reviews, the investment professionals monitor operations, overall performance, financial performance, and strategic direction of each investment owned by the Advisory Clients. Investments are also reviewed in the context of each Advisory Client's stated investment objectives, guidelines and restrictions as set forth in the Governing Documents of each Advisory Client.

In the Fund context, DIV does not tailor its advisory services to the individual needs of the investors in the Fund, and does not accept investor-imposed investment restrictions unless they are consistent with the established and disclosed investment strategy of the Fund and documented in a side letter agreement that is approved by the Chief Executive Officer, President and the Chief Compliance Officer.

Advisory Board

Each Fund has an Advisory Board comprised of Fund investors appointed by the General Partner who are unaffiliated with DIV and serve as voting members. The General Partner may designate additional unaffiliated Fund investors to participate in Advisory Board meetings as non-voting members. The General Partner and DIV personnel are also permitted to attend Advisory Board meetings. The Advisory Boards meet periodically as specified in the Fund Governing Documents to consult on various matters including financial statements, asset valuations, the status of existing investments, potential conflicts of interest and such other matters as the General Partner may determine. Advisory Board approval is required for the General Partner to take certain actions, as more particularly set forth in each Fund's Governing Documents.

Valuation

DIV is required to ensure that Advisory Client assets are valued appropriately to provide the most accurate reporting possible. The fair market value of Advisory Client assets is required to be determined in accordance with the applicable Governing Documents. DIV prepares internally generated asset valuations, along with a supplemental schedule to tie these economic valuations to the financial statements, to report to investors an estimate of the fair value of each of the Advisory Client's assets. The valuation methodology is intended to follow the most recent version of the Reporting Standards issued by National Council of Real Estate Investment Fiduciaries (NCREIF) and the Pension Real Estate Association (PREA) and to be consistent with generally accepted accounting principles, including but not limited to FASB ASC 815, 820, and 825.

DIV prepares internal valuations no less than annually prior to the annual audit of each Advisory Client. Asset values are determined as of December 31 of the audit year. Valuations are not updated quarterly unless significant interim events occur, including, but not limited to, major leasing changes, a pending sale or demonstrable major market impacts. Generally, property and debt investments are carried at cost until the end of the second quarter of ownership unless current market conditions indicate a material change in value, in which case the asset will be fair valued. Real estate security investments are valued as of December 31 regardless of the purchase date of the security.

As these valuations are prepared internally, DIV relies on current market data as well as industry publications and guidance to assist in establishing the fair value of assets on an annual basis. DIV uses as reference the valuation standards in the most recent version of the NCREIF PREA Reporting Standards. In addition, DIV strives to follow the Uniform Standards of Professional Appraisal Practice (USPAP) 2020-2021 edition Advisory Opinion 33 regarding Discounted Cash Flow Analysis.

For more detail on valuation procedures, clients or prospective clients may obtain a more information by contacting the General Counsel, Managing Director & Chief Compliance Officer, Robert Kubica, at 617-

451-1300 or by email at rkubica@thedaviscompanies.com.

B. Factors that Trigger Review

The composition of each Advisory Client's portfolio is reviewed periodically.

C. Reports to Clients Regarding Their Accounts

Generally, investors in Funds and other Advisory Clients will receive quarterly unaudited financial reports and/or investor letters for the respective investment vehicle as well as investor capital account performance information. In addition, annual audited Fund financial statements are issued to Fund investors. In addition to the information provided to all investors, DIV has provided, and may in the future provide, certain investors with additional information or more frequent reports that other investors do not receive.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

A. Compensation from Non-Clients for Advisory Services

No person who is not a client of DIV provides an economic benefit to DIV for providing investment advice or other advisory services to the Advisory Clients.

B. Compensation for Referrals

DIV may enter into agreements with third party placement agents to act as solicitors for DIV's investment management business. Such placement agents are generally compensated as a percentage of each investor's capital commitment directly raised by the placement agent. Where a placement agent is utilized to raise capital on behalf of a Fund, DIV provides prospective investors in the Fund with disclosures relating to the placement agent's compensation (and associated conflicts) via the Fund Governing Documents. Prospective investors should review such disclosures carefully. An investor will not bear any additional charges as a result of an introduction through a placement agent or other unaffiliated third party. Subject to a Fund's Governing Documents, in the event the Fund's pay placement agent fees, such payments result in a corresponding offset against the management fee that is otherwise payable to DIV.

A placement agent's receipt of the fees noted above presents an inherent conflict of interest for the placement agent in that the placement agent may have an incentive to recommend interests in a Fund to a prospective investor based on the fees it anticipates receiving from such sale (as opposed to the best interests of the prospective investor). Such a conflict of interests will usually be mitigated (at least in part) by the placement agent's fiduciary duty to place the interests of its clients over its economic interests. Nevertheless, prospective investors should independently assess whether an investment in a Fund is in their best interests and appropriate aligned with their portfolios' investment objectives and guidelines, investment restrictions (if any), asset allocation guidelines and restrictions, liquidity needs, and overall risk/return profiles.

ITEM 15 – CUSTODY

DIV, and the applicable affiliated General Partner of each Fund, are deemed to have constructive custody of such Fund's assets by virtue of their status as investment manager or General Partner of the Fund. In compliance with Rule 206(4)-2 of the Advisers Act, each DIV Fund (as well as each Fund co-investment vehicle) is subject to an annual audit and its audited financial statements, prepared by an independent

accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, are distributed to Fund investors within 120 days of the end of the Fund's fiscal year-end (*i.e.*, generally by April 30).

To the extent that DIV is deemed to have custody under Rule 206(4)-2 of any Fund assets that are not "privately offered securities", DIV or its affiliated Fund General Partner has established one or more custodial accounts with unaffiliated qualified custodians to hold such Fund assets.

ITEM 16 – INVESTMENT DISCRETION

Subject to the direction and control of the General Partners of the Advisory Clients and the investment objectives, guidelines and restrictions of each Advisory Client as set forth in the Governing Documents, DIV has full investment discretionary authority to manage each Advisory Client and therefore does not require, and does not seek, approval from an Advisory Client or its investors with respect to the decision to buy or sell investments for the Advisory Client. No Advisory Clients are sub-advised by either DIV affiliated or non-affiliated investment managers.

Each Advisory Client's investment strategy is set forth in detail in its Governing Documents. Individual investors in an Advisory Client do not have the ability to impose limitations on DIV's discretionary authority (except as set forth in the Advisory Client's Governing Documents). Prospective investors are provided with the Advisory Client's Governing Documents prior to their investment in an Advisory Client and are encouraged to carefully review all offering materials and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk.

ITEM 17 – VOTING CLIENT SECURITIES

DIV does not anticipate that its Advisory Clients will typically hold investments that give rise to instances of proxy voting, or other voting with respect to an Advisory Client's real estate investments. DIV generally originates investment opportunities to each Advisory Client, monitors and evaluates investments, and provides other related services as the Advisory Client may reasonably require. As it relates to voting proxies, DIV is responsible for the management, policies, and operations of each Advisory Client, acting pursuant to and in accordance with each Advisory Client's Governing Documents. To the extent matters arise that call for a proxy vote or consent with respect to securities owned by an Advisory Client, the respective General Partner exercises the voting rights on behalf of the Advisory Client based on DIV's recommendation. In such cases, each proxy proposal received by an Advisory Client will be thoroughly reviewed by DIV, as necessary, in order to ensure that such proxy is voted in the best interests of the Advisory Client.

DIV has adopted proxy voting policies and procedures that it believes are reasonably designed to comply with the supervision and recordkeeping requirements of Rule 206(4)-6 of the Advisers Act. If at any time DIV and/or one of its affiliates become aware of a material conflict of interest relating to a particular proxy proposal, DIV will handle such proposal by requiring such proposal to be reviewed by the Chief Compliance Officer, who will determine how to vote the proxy in a manner consistent with the best interests of the Advisory Client. To receive a copy of DIV's proxy voting policy, contact the General Counsel, Managing Director & Chief Compliance Officer, Robert Kubica, at 617-451-1300 or by email at rkubica@thedaviscompanies.com.

ITEM 18 – FINANCIAL INFORMATION

DIV is not currently aware of any financial commitment that impairs its ability to meet its contractual and fiduciary duty commitments to the Advisory Clients. Additionally, DIV does not require the prepayment of fees and DIV has not been the subject of any bankruptcy proceedings.