



GRIFFIS RESIDENTIAL INVESTMENT ADVISOR LLC

Form ADV Part 2A Brochure

March 21, 2024

Item 1. Cover Page

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This Form ADV, Part 2A, or "Brochure" provides information about the qualifications and business practices of Griffis Residential Investment Advisor LLC. The Adviser (as defined below) is an affiliate of Griffis Group of Companies, LLC. If you have any questions about the contents of this brochure, please contact Chris Souther at 720-376-6390 or by email at csouther@griffisresidential.com.

The information in this brochure has not been approved or verified by the Securities and Exchange Commission (the "SEC") or by any state securities authority. The Adviser is registered with the SEC as an investment adviser. Additional information about the Adviser is available on the SEC's website at www.adviserinfo.sec.gov. Registration with the SEC does not imply a certain level of skill or training and no inference to the contrary should be made.

The communications we provide to you, including this brochure, serve as information for you to use to evaluate the Adviser and should be considered in your decision whether to engage or to continue to maintain a relationship with the Adviser.

Item 2. Material Changes Made To This Brochure

This Brochure contains no material changes since the last annual update of the Adviser's Brochure, dated March 27, 2023. The Adviser has made certain clarifying changes to the disclosures contained therein. Current and prospective investors are urged to review the Brochure in its entirety.

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Item 4. Advisory Business

Firm Description

Griffis Residential Investment Advisor LLC (“GRIA,” the “Adviser” or “we”) is a Delaware limited liability company formed in November 2012. Affiliates of the Adviser provide investment advisory services to pooled investment vehicles and act as their investment adviser, as described more fully below (the “Advisory Affiliates”). GRIA’s principal place of business is Greenwood Village, Colorado.

Principal Owners

Ian Griffis, David Birnbaum, and Tom Barta are the principal owners (the “Principals”) of the Adviser, who hold their interests through Griffis Investment Company, Inc. (100% owned by Ian Griffis), New Century Investment Company, Inc. (100% owned by David Birnbaum), and TGT, Inc. (100% owned by Tom Barta). GRIA is under common control with Griffis Group of Companies, LLC (“Griffis Residential”), and shares its managers and officers.

Investment Advisory Services

The Advisory Affiliates provide discretionary investment advisory services to pooled private investment vehicles (the “Funds”) and non-discretionary investment advice to certain joint venture investors via special purpose entities set up to facilitate such investors’ investments (such special purpose entities, the “JV Entities” and together with the Funds, the “Advisory Clients”).

The Funds are organized principally to acquire, operate, and add value to recent vintage multi-family assets (including, in some cases, as a joint venture or co-equity interest owner). These properties are located in high growth primarily western United States markets, including Colorado, Texas, Washington, Oregon, California and the Washington, D.C. area (the “Target Markets”). With one exception, the Funds are closed-end in nature. One of the Funds, Griffis Residential Income Trust, L.P., (“GRIT”) is open-end in nature, and invests in core multi-family residential properties suitable for a longer term hold relative to the closed-end Funds (which typically have shorter investment holding periods).

The JV Entities are special purpose entities typically structured as joint ventures formed to enable one or more third parties to invest alongside a Fund.

An affiliate of GRIA serves as the managing member or general partner (as applicable) to each Advisory Client (collectively, the “Affiliated Managers”). Each of the Advisory Affiliates relies on GRIA’s registration. Each of GRIA’s and its affiliates’ respective employees and personnel are subject to the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and rules and regulations thereunder, and GRIA’s compliance policies and procedures. Each of the personnel of the Advisory Affiliates will be deemed “persons associated with” GRIA (as that term is defined in section 202(a)(17) of the Advisers Act) and will be subject to SEC examination.

Each Advisory Affiliate has full and exclusive management authority over the investment decisions, asset dispositions, distributions, and other activities of its respective Fund. The Advisory Affiliates maintain ultimate discretionary investment authority over the respective Fund assets while the counterparties to the JV Entities retain discretion in respect of their investment decisions.

Overview of Advisory Services

As investment adviser to the Advisory Clients, whose portfolios are limited to real estate and real estate-related investments, GRIA and the Advisory Affiliates:

- offer real estate investment advisory and management services;
- acquire, operate and add value to multi-family real estate assets;
- deliver operating cash flow and the possibility of long-term appreciation; and

- recommend for the Advisory Clients, in some cases, a joint venture interest in various real estate projects (“Portfolio Investments”), which focus on for-rent multi-family residential real estate and uses ancillary to the primary uses.

This list is not exhaustive but the Advisory Affiliates do not tailor their advisory services to the individual needs of underlying investors in the Advisory Clients (generally, “Investors”). The investment advice the Advisory Affiliates provide to Advisory Clients is determined by the investment objectives, strategies, and restrictions set forth in the governing documents (*i.e.*, operating agreement, limited partnership agreement, confidential offering memorandum or other offering document, joint venture agreement) applicable to each Advisory Client (the “Governing Documents”). However, in accordance with common industry practice, an Advisory Client or its respective Advisory Affiliate may from time to time enter into a “side letter” or similar agreement with an investor pursuant to which the Advisory Client or its Advisory Affiliate grants the investor specific rights, benefits or privileges that are not generally made available to all investors.

Please see *Item 8* for a description of GRIA’s investment strategies and their associated risks.

Overview of Portfolio Servicing

GRIA does not participate in any wrap fee programs.

Assets Under Management

As of December 31, 2023, GRIA had \$2,185,965,666 in total assets under management. Of this amount, \$43,189,545 in assets under management are managed on a non-discretionary basis for the JV Entities. The remaining \$2,142,776,121 in assets under management are managed on a discretionary basis for the Funds.

Item 5. Fees and Compensation

The Advisory Affiliates are generally compensated for advisory services through an asset-based management fee (the “Management Fee”) and the Affiliated Managers may receive performance-based compensation in the form of an incentive allocation or carried interest (as described below).

Refer to the Governing Documents for each Advisory Client for a complete understanding of how fees are paid to the Affiliated Managers, the Advisory Affiliates and other GRIA affiliates. The information contained herein is a summary only and is qualified in its entirety by such documents.

Payment

Management Fees are typically paid quarterly in advance. The Advisory Affiliates have the right, but not the obligation, to rebate or refund any such Management Fees to Advisory Clients. The Carried Interest (as defined below) is typically paid when earned and realized.

Funds

Typically, Advisory Clients are charged a management fee paid to the Advisory Affiliates based on a percentage of: (i) committed capital; (ii) invested capital; or (iii) investor capital account balances, as applicable and set forth in the relevant Governing Documents. The Management Fee is payable either monthly or quarterly in advance or in arrears on a pro-rata basis. All or part of the Management Fee may be reduced or deferred at the discretion of the Advisory Affiliates, as applicable.

The fee structure for closed-end funds may vary from fund-to-fund and current or prospective Investors should refer to the Governing Documents of the applicable Advisory Client for the fees paid by such Advisory Client. A typical fee structure for closed-end Funds includes an annual 1.5% asset management fee on the amount of committed capital during the commitment period, a 1.5% asset management fee on the invested equity after the commitment period as well as a 2.0% pro-rata acquisition fee and a 1.0% pro-

rata disposition fee. The fee structure for GRIT (an open-end Fund) ranges from 0.65% to 1.10% of an investor's capital account balance. Fees charged to JV Entities vary based on the terms negotiated between GRIA and its counterpart.

For closed end Funds, the Affiliated Managers are eligible to receive a percentage of investment proceeds subject to payment of a Preferred Return and the return of Capital Contributions, typically, 20% of profits (the "Carried Interest"). For GRIT, the Affiliated Managers are eligible to receive an Incentive Allocation for outperformance relative to an industry index, as detailed in GRIT's Governing Documents.

The Management Fee, Carried Interest, and other applicable fees are generally paid directly from the assets of the relevant Advisory Client. On occasion GRIA (or its affiliates) may call capital from Investors to pay certain expenses, including fees, payable by the Advisory Client.

The Management Fee and Carried Interest, as well as Acquisition Fees as discussed below, are subject to waiver or reduction by the applicable general partner with respect to some or all of an Advisory Client's investors in the Advisory Affiliates' sole discretion.

Other Fees

GRIA or its affiliates may receive acquisition fees, property management fees, construction management fees, disposition fees, or similar fees separately agreed in the Governing Documents for each Advisory Client.

- Acquisition Fees. Upon the closing of any Portfolio Investment, the Advisory Affiliates may be entitled to receive from certain Funds an acquisition fee ("Acquisition Fee") in an amount up to 2% of a Fund's *pro-rata* share of the full purchase price of any Portfolio Investment acquired (including the amount of any debt assumed or borrowed in connection with an acquisition).
- Property Management Fees. If an affiliate of GRIA is appointed as a property manager for any Portfolio Investment acquired by the Funds, the affiliate will be entitled to a property management fee ("Property Management Fee") equal to a percentage (typically 3%) of collected revenue, payable monthly in arrears. Property Management Fees typically cover a broad range of property-related services, including but not limited to, advertising and leasing units to tenants; preparation of property operating budgets for approval by the applicable owners; rent and security deposit collection and related matters; enforcement of tenant lease terms; various administrative services relating to property management such as purchasing necessary supplies, making provision for supply of utilities and retention of relevant service providers such as janitors and pest exterminators; making, or causing to be made, through contracted services or in-house personnel employed by the properties or GRIA or an affiliate thereof, ordinary repairs and alterations; and hiring, discharging and supervising all contracted or in-house personnel employed by the properties or GRIA or an affiliate thereof required for the operation and maintenance of properties and to pay such labor and employees, provided that all costs and expenses incurred in connection with the employment of the foregoing persons (including without limitation salary, wages, medical, workmen's compensation, disability, or life insurance, placement fees, retirement, pension or profit sharing plan contributions, Federal, State, or local taxes, Social Security and other benefits) are chargeable to the applicable properties via reimbursement. In situations where one or more in-house personnel provided services that benefit personnel of GRIA and/or its affiliates, on the one hand and personnel of one or more properties, on the other hand (such as employee benefit administration services), the entire overhead costs associated with retaining such personnel (including, but not limited to, the salary, employment benefit costs and employer taxes relating to such personnel) will be allocated between GRIA, its affiliates and such properties in a manner deemed fair and appropriate by GRIA in its reasonable discretion.
- Construction Management Fees. If an affiliate of GRIA is appointed to provide construction management services with respect to any Portfolio Investments, the Funds, in exchange for these

services, will pay a fee (the “Construction Management Fee”) of up to 7.5% of the Fund’s *pro-rata* cost incurred with respect to any capital improvement project.

- **Disposition Fees.** The Advisory Affiliates may be entitled to receive from the Funds a disposition fee (“Disposition Fee”) in an amount up to 1% of the *pro-rata* value associated with the disposition of all or any portion of a Portfolio Investment (including the amount of any debt assumed by another party in connection with such disposition).

The Advisory Clients will typically be responsible for certain expenses, including, but not limited to, the following: (i) out-of-pocket expenses including but not limited to printing, legal, accounting, audit and tax preparation, travel relating to the business of the Advisory Clients and/or their properties (including expenses relating to business class travel undertaken in accordance with GRIA’s policies) postage, insurance, interest and other expenses incurred from time to time; (ii) expenses occurred in the organization, establishment and capitalization of the Advisory Client including travel and marketing, which costs may be capped; (iii) expenses incurred in connection with investments not consummated (“Broken Deal Expenses”); (iv) expenses incurred in the evaluation, acquisition, ownership, improving, sale, hedging or financing of any investment, property management and leasing, as well as services performed by unrelated third parties including, but not limited to, due diligence and inspections, legal, engineering, surveys and other third-party lender reports, marketing, accounting and tax preparation, design, planning and architectural services; (v) litigation-related and indemnification expenses; (vi) expenses related to reporting, meeting or otherwise communicating with Investors; and (vii) expenses related to reporting to, meeting with, and insuring, indemnifying and compensating the advisory committee (if applicable).

Advisory Client expenses pertaining exclusively to a single Advisory Client or property will be charged solely to that Advisory Client or property. In accordance with GRIA’s expense allocation policy and the Advisory Clients’ governing documents, Advisory Client expenses relevant to multiple Advisory Clients will, in GRIA’s good faith determination, be allocated to such Advisory Clients’ typically on a pro-rata basis (generally based on: (i) the relative size of an Advisory Client’s invested capital, in the case of investment-related expenses and (ii) the relative size of an Advisory Client’s capital commitments, in the case of other expenses). Property expenses relating to (i.e., that are incurred for the benefit of) multiple properties will typically be allocated to such properties pro rata based on the type of expense. For example, if the expense is relating to staff employed by the properties (e.g., software licenses and new hire orientations costs), the expense will typically be allocated pro rata based on the relative size of a property’s employee head count. However, if the expense is incurred on a per apartment basis, the expense will typically be allocated to the applicable properties based on the number of apartments per property. If the expense is not dependent on the number of employees, units or other factors associated with a property, the expense will typically be allocated evenly across the relevant properties. Subject at all times to the expense allocation provisions of the Advisory Clients’ governing documents, GRIA may in good faith choose to allocate such expenses in a different manner than that described above where they believe such an allocation is in the best interests of the relevant Advisory Clients and/or properties.

GRIA and its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Advisory Clients that will neither be subject to an offset against any management fees payable to the Advisory Clients nor will otherwise be shared with the Advisory Clients and/or properties. For example, airline travel or hotel stays incurred as Advisory Client or account expenses typically result in cash rebates, “miles,” “points” or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to GRIA and/or such personnel (and not the Advisory Clients and/or properties) even though the cost of the underlying service is borne by the Advisory Clients and/or the properties.

In certain cases, a co-investment vehicle, or other similar vehicle established to facilitate the investment by investors to invest alongside a Fund may be formed in connection with the consummation of a co-investment transaction. Such co-investment transactions will often directly or indirectly benefit the Fund(s) that GRIA anticipates participating in the co-investment transaction alongside one or more co-investment

vehicles. The investors in such co-investment vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle. The co-investment vehicle will generally bear its pro rata portion of expenses incurred in the making of a co-investment alongside the applicable Fund(s). However, if a proposed co-investment transaction is not consummated, generally no co-investment vehicle will have been formed, and the full amount of any expenses relating to such proposed but not consummated transaction will therefore be borne entirely by the Fund or Funds selected by GRIA as proposed investors for such proposed co-investment transaction. As a general matter, no prospective co-investor (or prospective co-investment vehicle) will bear broken deal expenses or receive any portion of break-up fees (or equivalent thereof) until such person is contractually committed to invest in the prospective co-investment.

Please refer to the relevant Governing Documents for each Advisory Client for a more detailed discussion of the fees and expenses borne by Advisory Clients and Investors. The information contained herein is a summary only and is qualified in its entirety by such documents.

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

In addition to the advisory fees disclosed in *Item 5*, Advisory Clients are typically charged Carried Interest or an Incentive Allocation (performance-based compensation). GRIA and its affiliates typically also receive asset-based fees and transaction-based fees, as also disclosed above in *Item 5*.

Since the Advisory Affiliates or Affiliated Managers receive performance-based compensation, there is a potential conflict of interest in that it creates an incentive for GRIA to make investments that are riskier or more speculative than in the absence of such performance-based fees. In addition, GRIA may have an incentive in allocating investment opportunities to favor Advisory Clients with a potential for performance-based compensation or greater performance-based compensation over Advisory Clients with no or lesser performance-based compensation. To mitigate the risk of a conflict of interest, GRIA has established an Advisory Committee (as defined below) which addresses conflicts of interest as needed. Further, Advisory Client accounts are reviewed by the Principals to ensure that the investments are in accordance with the relevant offering materials and other Governing Documents and investment opportunities are allocated to Advisory Clients in accordance with a formal policy (the “Allocation Policy”) that is maintained and periodically reviewed and revised by the Principals.

As a fiduciary, we are committed to putting the interests of our clients first. See “Conflicts of Interest” under *Item 11*.

Item 7. Types of Clients

As stated above in *Item 4*, the Advisory Affiliates provide investment advisory services to pooled investment vehicles operating as private investment funds (*i.e.*, the Funds), certain special purpose entities (*i.e.*, the JV Entities) and other alternative investment vehicles.

Interests in Funds are sold only to Investors who meet qualification requirements under applicable laws. Generally, Investors must be “accredited investors” as defined in Rule 501 promulgated under Regulation D of the Securities Act of 1933, as amended, and “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended, and Rule 2a51-1 promulgated thereunder or otherwise “qualified clients” as defined in Rule 205-3 promulgated under the Advisers Act.

The minimum capital commitment of an Investor in a Fund generally ranges from \$50,000 to \$20,000,000, although lesser commitment amounts may be accepted in the discretion of GRIA or their affiliates. Third parties in the JV Entities may be subject to minimum capital commitments, at the discretion of GRIA or its affiliates.

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

There can be no assurance that the Advisory Clients will achieve their investment objectives or that the investment strategies employed by the Advisory Affiliates will be successful.

GRIA's primary focus is to acquire, operate and add value to recent vintage multifamily properties, or other real estate assets with similar underlying assets within the Target Markets. While these assets are generally viewed as institutional quality, there is a strong value-added component to GRIA's investment strategy for its closed-end funds. Additionally, these assets may be acquired in joint ventures with other significant equity partners.

The key pillars of the investment process include:

- improved operating effectiveness;
- targeted capital improvements;
- a distinctive property management culture;
- a differentiated resident experience; and
- a rigorous, hands-on approach to asset management.

With a focus on wealth preservation and a conservative approach to leverage, the investment objective is to produce attractive risk-adjusted returns through both current income and capital appreciation.

In reviewing the strategies employed by the Advisory Affiliates, it should be noted that an investment in the Advisory Clients may be deemed speculative and is not intended as a complete investment program. Investments in the Advisory Clients are designed only for experienced and sophisticated investors who are able to bear the risk of substantial impairment or total loss of their investment.

As a general matter, the Advisory Affiliates use the investment methodology described in the relevant Governing Documents. The information contained herein is a summary only and Investors and prospective Investors should refer to the applicable Governing Documents for a complete overview of the Advisory Affiliates' methods of analysis and investment strategies.

Risk Factors

The following risk factors are not a complete or exhaustive explanation of the risks involved in participating in any Advisory Client. Advisory Clients should understand that all investments involve risk and there can be no assurance that: (i) the objectives of any Advisory Client will be achieved; (ii) GRIA and the Advisory Affiliates will be able to choose, make (if discretionary) or realize investments on behalf of the Advisory Clients; or (iii) GRIA and the Advisory Affiliates will be able to generate returns for Investors or that the returns will be commensurate with the risks of investments undertaken by the Advisory Client. Therefore, Advisory Clients should consider such risks, read the relevant Governing Documents in their entirety, and should conduct their own due diligence and obtain professional advice as they deem necessary before deciding whether to invest.

As with any investment in securities, the value of and return on an investment can decrease as well as increase, depending on various factors, including, but not limited to, general economic conditions and market factors. The investment decisions and investment strategy of GRIA and its affiliates may not always be profitable nor will they always be correct. GRIA and the Advisory Affiliates conduct their activities in a manner they believe will achieve the best results for its Advisory Clients, based on assumptions made in good faith, and which they deem reasonable, but GRIA and the Advisory Affiliates cannot be certain that their investment strategy will be successful or that they will successfully manage risks.

Competition

The real estate business is highly competitive and involves a high degree of uncertainty. The Advisory Clients will compete with other private equity funds, private and public REITs, financial institutions, and private and institutional investors, as well as numerous other entities engaged in real estate activities, many of which may have greater financial resources than the Advisory Clients. As a result, there can be no assurance that the Advisory Affiliates will be able to complete Portfolio Investments that satisfy the investment or return objectives of the Advisory Clients. To the extent that GRIA and its affiliates seek to sell any properties held by Advisory Clients, the sales prices for such properties may be adversely affected by competition from other real estate entities and financial institutions also attempting to sell their properties located in areas in which the properties are located.

Concentration of Investments

The Governing Documents of the relevant Advisory Clients limit the amount of capital that may be committed to a single investment, and Advisory Clients may only make a limited number of investments which are concentrated in a specific asset class and/or geographic region. As a consequence, an Investor's aggregate return may be adversely affected by the unfavorable performance of a single investment. In addition, the concentration of investments in a particular asset class and/or geographic region may make the investments more susceptible to fluctuations in value resulting from adverse economic or market conditions affecting such asset class or geographic region.

Leverage

The Advisory Clients will likely use non-recourse or recourse debt to finance the acquisition of certain properties. Recourse is defined in a Fund's governing documents as pertaining to certain loan covenants, including environmental indemnifications and standard carve-outs, and to the Fund's assets generally. Such recourse would be to the applicable Fund and not to any investor in such Fund. While the use of leverage will increase the proceeds available for investment by the Advisory Clients and thus create an opportunity for a greater yield and increased diversification of the Advisory Clients' portfolios, it also increases the exposure to capital risk and risk of loss on a particular leveraged property. In addition, fluctuations in market values may significantly decrease the availability and increase the costs of real estate mortgage loans. The ability to obtain financing quickly and on reasonable terms is important to the success of the Advisory Clients.

The Advisory Clients will incur obligations to pay interest and to repay principal on its leveraged assets. The Advisory Clients may, under some circumstances, be required to liquidate assets to service such interest and principal obligations. If the Advisory Clients default on indebtedness secured by a particular property, the lender may foreclose on that property and the Advisory Clients could lose their entire investment in the property. The Advisory Clients may also engage in portfolio financing, whereby several properties are cross-collateralized, and multiple properties may be subject to the risk of loss. As a result, the Advisory Clients could be divested of performing properties in the event such properties are cross-collateralized with poorly performing or non-performing properties. In addition, any use of recourse debt will subject the other assets of the Advisory Clients to risk of loss.

Investors and prospective Investors will be provided with a Confidential Offering Memorandum or similar offering materials that contain a detailed description of material risks related to an investment in an Advisory Client. Investors and prospective Investors are advised to carefully review all risk factors set forth in the offering materials and Governing Documents.

Joint Venture Investments

Joint venture investments by an Advisory Client may under certain circumstances involve risks not otherwise present, including the possibility that the co-venturer might become bankrupt, that such co-venturer might at

any time have economic or other business interests or goals which are inconsistent with the business interests or goals of the Advisory Client, and that such co-venturer may be in a position to take action contrary to the instructions or the requests of the Advisory Client or contrary to the Advisory Client's policies and objectives. Such investments may also have the potential risk of an impasse on decisions because neither co-venturer may have full control over the joint venture. To the extent a dispute arises between affiliates of GRIA, on the one hand, and such joint venture partners, on the other hand, the affected Advisory Client's separate investments with such joint venture partners may also be adversely affected.

Diverse Investor Group

GRIA's investors may have conflicting investment, tax and other interests with respect to their investments in the Advisory Clients. The conflicting interests of individual Investors may relate to or arise from, among other things, the nature of investments made by the Advisory Clients, 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 GRIA, 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 the Advisory Clients, GRIA will consider the investment and tax objectives of each Advisory Client and its investors as a whole, not the investment, tax or other objectives of any investor individually.

Cybersecurity

GRIA and the Advisory Clients generally rely on information technology systems for current and planned operations. Information and technology systems of GRIA and 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, GRIA, an Advisory Client 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 partners. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in GRIA's and/or the Advisory Clients' 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 GRIA's or the Advisory Clients' 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

Fund investments 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 (such as the COVID-19 pandemic), 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 a Fund, a Fund property 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 property, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a Fund or a property 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 a Fund or a Fund property. 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 the Funds may invest specifically. Any of the foregoing may therefore adversely affect the performance of a Fund and its investments.

Material Risks Relating Specifically to Real Estate

Uncertain Nature of Real Estate Investments

Advisory Clients will be subject to the risks incident to ownership and financing of real estate and interests therein, many of which relate to the general illiquidity of real estate investments. These risks include, but are not limited to: (i) changes in general or local economic conditions; (ii) changes in interest rates and the availability of permanent financing which may render the purchase, sale or refinancing of a property difficult or unattractive and which may make debt service burdensome; (iii) changes in real estate and zoning laws; (iv) increases in real estate taxes; (v) federal or local economic or rent controls; and (vi) floods, earthquakes, hurricanes and other acts of God, acts by terrorists, and other factors beyond the control of GRIA or its affiliates. The illiquidity of real estate investments may also impair the ability of GRIA or its affiliates to respond promptly to changing circumstances.

GRIA can provide no assurance that any project will be successful. Problems may be encountered after the purchase, including increased capital costs and construction problems or delays. Despite its due diligence efforts, with certain assets GRIA and its affiliates may encounter problems with: soils; drainage; building construction or other structural issues; title; easements; survey, eminent domain and other issues endemic to acquiring and holding real estate. In some cases GRIA and its affiliates may not have complete or accurate information regarding a wide-range of issues with potentially negative impacts on property values. Sellers may not provide all the information required or be unwilling or unable to provide usual representations or warranties. Information or problems subsequently encountered may adversely affect a property's value.

It is critical that Investors refer to the applicable Governing Documents for a complete understanding of the material risks involved in an investment in the Advisory Clients. The information contained herein is a summary only and is qualified in its entirety by such document.

Item 9. Disciplinary Information

Like all registered investment advisers, GRIA is obligated to disclose all material facts regarding any legal or disciplinary events that might be material to an investor's evaluation of GRIA or the integrity of its management.

We do not have any material legal, financial, regulatory, or other disciplinary item to report to any Advisory Client. This statement applies to GRIA, the Advisory Affiliates and to all personnel associated with GRIA or the Advisory Affiliates.

Item 10. Other Financial Industry Activities and Affiliations

Unless otherwise noted, GRIA and the Advisory Affiliates manage all conflicts noted below through enforcement of its Code of Ethics and Compliance Manual, which contain, among other things, restrictions on personal trading of Access Persons (as defined herein), gift and benefit notifications, and outside activity disclosures. Further, the advisory committee (the "Advisory Committee") of each Fund (as detailed in the offering documents) may be consulted with respect to potential conflict of interest transactions involving that Fund. Each Advisory Committee is comprised of Investors or representatives of certain Investors in the relevant Fund and, in most cases, a representative of GRIA (or its affiliates).

The Advisory Affiliates serve as managing members or general partners (as applicable) to the Advisory Clients and in connection therewith hold membership interests in the Advisory Clients. In addition,

employees of GRIA (or its affiliates) also invest directly in the Advisory Clients (or indirectly through an affiliate or co-investment vehicle). As noted above, the existence of the Carried Interest may create an incentive for GRIA or an affiliate to make more speculative investments on behalf of the Fund(s) than they would otherwise make in the absence of such performance based compensation.

Affiliates of GRIA serve as managing members or general partners of various affiliated joint ventures, and as such are entitled to receive certain fees. Potential conflicts could arise involving allocation of investment opportunities between Advisory Clients and these affiliated joint ventures. Such investment allocation decisions are generally made in accordance with the Allocation Policy and determined by the investment objectives of the Advisory Clients and may be subject to the review of an Advisory Client's Advisory Committee which includes independent Investors.

A potential conflict could also arise in the event a GRIA affiliate and an Advisory Client are members of the same affiliated joint venture and have different strategies relating to operations, financings or disposition. To the extent such conflict arises GRIA will generally seek the advice of the Advisory Client's Advisory Committee consisting of independent Investors.

Additional Potential Conflicts of Interest

- Members of the investment team may advise entities affiliated with Griffis Residential. Further, Griffis Residential will allocate such time and attention to an Advisory Client as specified in the applicable Governing Documents and otherwise as is deemed appropriate and necessary to carry out the operations of the Advisory Clients effectively. Griffis Residential and its Principals may work on other projects and conflicts may therefore arise in the allocation of certain personnel and other resources.
- GRIA (or an affiliate) frequently engages one or more affiliates of Griffis Residential to perform certain services for which the Advisory Clients could otherwise retain third parties, including, without limitation, financing, property management, maintenance, lease renewals, construction management, development, and similar property management services. GRIA recognizes that conflicts of interest exist when using an affiliated service provider. GRIA believes the benefits of using one or more affiliates significantly outweigh the conflict risks. In particular, GRIA believes the use of affiliates results in, amongst other benefits, better alignment of interests, higher quality of services, efficiencies in communication, and economic reporting efficiencies. GRIA believes that the terms of any engagement with an affiliate are no less favorable to the Funds than it would be if GRIA were to retain on an arms length basis the services of a comparable and suitable unaffiliated third party (taking into account relevant factors as deemed appropriate in GRIA's reasonable discretions (including, but not limited to, the third party service provider's quality of services (including willingness and ability to customize services as deemed appropriate by GRIA), inability to provide services GRIA provides (which may include various types of white glove services) reputation, track record and scale of operations). In an effort to ensure that the fees received by its affiliates are commercially reasonable in the relevant property markets (though not necessarily the lowest or even lower than the highest fee quotes GRIA may receive from a third party service provider), taking into account relevant factors as noted above, GRIA will periodically conduct (or retain a suitable vendor to conduct) a benchmarking of fees charged by comparable service providers for the above-mentioned services in the relevant property markets.
- Upon the acquisition of a property, an affiliate of GRIA will generally serve as property manager for each portfolio investment acquired by the Funds. Conflicts of interest may arise in the allocation of time, services, and resources among the properties managed on behalf of the Advisory Clients by such affiliates.

Outside Business Activities of Related Persons

Personnel associated with GRIA may serve on boards of directors, executive committees, or advisory boards at various unaffiliated companies and organizations. Serving in such a capacity may expose such management person, and by association GRIA and the Advisory Clients, to certain conflicts of interest.

GRIA maintains internal compliance policies that are intended to minimize the negative effects of such conflicts if they arise. However, there can be no assurance that permitting the board membership of an employee will not result in less favorable results for the Advisory Clients than if such employee was not permitted to serve in such capacity.

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

In accordance with Rule 204A-1 promulgated under the Advisers Act, as amended, GRIA has adopted a Code of Ethics (the “Code”). The Code applies to GRIA’s “Access Persons,” which include, generally, Affiliated Managers and any member, officer or director of GRIA and any employee or other “supervised person” of GRIA or the Advisory Affiliates who (1) has access to non-public information regarding any Advisory Client’s purchase or sale of securities, or non-public information regarding the holdings of an Advisory Client or (2) is involved in making or executing securities recommendations, or has access to such recommendations that are non-public. As noted in Form ADV Part 1A, GRIA does not have any direct employees. It should be specifically noted that employees of Griffis Residential will be considered Access Persons only if and to the extent that they have access to the information discussed in (1) or (2) above.

The Code requires all Access Persons to conduct themselves in accordance with the highest standards of integrity in accordance with Rule 204A-1. Under the Code, all Access Persons have a duty to put the interests of Advisory Clients ahead of those of themselves and GRIA. GRIA will provide a copy of the Code to any Investor or prospective Investor upon request.

The Code requires Access Persons to comply with applicable U.S. federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of GRIA’s Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge, in writing, receipt of the Code upon hire and on at least an annual basis thereafter.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide GRIA’s Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, GRIA’s Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Rule 204A-1 promulgated under the Advisers Act. The Code also describes GRIA’s and each Access Person’s duty to protect material non-public information about securities/investment recommendations provided to (or made on behalf of) Advisory Clients.

Investors or prospective Investors may obtain a copy of the Code by contacting GRIA’s Chief Compliance Officer, Chris Souther, at csouther@griffisresidential.com.

Conflicts of Interest

Prospective investors should be aware that there may be occasions when GRIA and its affiliates will encounter potential conflicts of interest in connection with a client’s activities. GRIA manages these conflicts through its Code of Ethics.

The Principals may sit on the board of directors of other entities (affiliated and unaffiliated) that are involved in real estate investments and management.

The Advisory Clients may co-invest with other entities in which one or more affiliates of Griffis Residential have an interest. Any such transactions may involve conflicts of interest among an Advisory Client, the Affiliated Manager, and GRIA. Per the Funds' Governing Documents, and in accordance with GRIA's fiduciary duties to the Funds GRIA will present such conflicts to the applicable Fund's Advisory Committee for review and approval.

Advisory Affiliates serve as investment advisers to the Advisory Clients and Affiliated Managers serve as managing members or general partners (as applicable) to the Advisory Clients. The Advisory Affiliates and Affiliated Managers receive a Management Fee and Carried Interest (if certain conditions are met). Additionally, GRIA or its affiliates have created JV Entities that invest in securities similar to those in which the Funds invest.

Access Persons may invest (and have invested) directly in the Advisory Clients. Additionally, while no such investments have occurred to-date, in the future Access Persons may also invest directly in the real estate assets in which the Advisory Clients are invested or will be investing. Further, Access Persons may invest for their personal accounts in real estate securities, or real property that although not held by the Advisory Clients, could be deemed to be within the investment program of certain Advisory Clients; *provided, however*, that such opportunities shall always be provided to Advisory Clients first (if such opportunities are within such clients' respective investment mandates). Any such investments will be subject to the conflicts-resolution processes summarized below.

The fact that GRIA's Principals and other Access Persons have financial ownership interests in the Advisory Clients creates a potential conflict in that it could cause GRIA or its Advisory Affiliates to make different investment decisions than if such parties did not have such financial ownership interests. Typically, the financial interests of the foregoing related persons of GRIA are aligned with those of outside Investors.

The above potential conflicts are addressed by the personal securities transaction pre-clearance and reporting requirements described in this *Item 11*. GRIA also addresses these potential conflicts through regular monitoring of Advisory Client investments for consistency with objectives, strategies, and target capacity. Further, the senior management of GRIA and the Advisory Affiliates, in consultation with the Chief Compliance Officer, carefully consider the risks involved in any Portfolio Investments and GRIA (or its affiliates) provide extensive disclosure to Investors regarding the potential risks that come with an investment.

The management fees are payable without regard to the overall success or income earned by Advisory Clients and therefore may create an incentive on the part of GRIA to raise or otherwise increase assets under management to a higher level than would be the case if GRIA were receiving a lower or no management fee.

Performance-Based Compensation

Performance-based compensation to the Affiliated Managers may create an incentive for GRIA or its Advisory Affiliates to make investments that are riskier or more speculative than in the absence of such performance-based compensation arrangements.

Personal Trading

Access Persons are permitted to make certain securities transactions in their personal accounts. This presents potential conflicts because an Access Person could make improper use of information regarding an Advisory Client's holdings or future transactions or research paid for by Advisory Clients. In order to minimize any perceived or potential conflict of interest, and the risk of improper transactions, all public companies in which GRIA or an Advisory Client has a financial interest in, or controls one or more board seats, will be placed on the "Restricted List" (as described herein). Any public company about which an

Access Person receives material non-public information will also be placed on the Restricted List by the Chief Compliance Officer.

GRIA manages the potential conflicts of interest inherent in personal trading by Access Persons through rigorous enforcement of its Code, which contains strict pre-clearance and reporting guidelines for Access Persons. GRIA requires that Access Person transactions in initial public offerings and in securities in a limited offering be pre-cleared with the Chief Compliance Officer. Further details are available in the Code which is available to Investors or prospective Investors upon request.

As noted above, GRIA maintains a “Restricted List” with the names of issuers of public securities about which GRIA or its affiliates (including Access Persons) have learned material, non-public information. Access Persons are strictly prohibited from transacting in the securities of any issuers on the Restricted List.

In addition, GRIA receives transaction and holdings reports from Access Persons in accordance with Rule 204A-1 promulgated under the Advisers Act. The Chief Compliance Officer or his designee reviews the personal transaction and holdings reports submitted by Access Persons to make sure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code.

Item 12. Brokerage Practices

Clients primarily invest in assets that are purchased and sold through privately negotiated transactions without the assistance of broker-dealers. If this were to change in the future, GRIA would amend this brochure to explain such practice.

GRIA does not receive soft dollar benefits with respect to securities transactions for Advisory Clients, nor does it receive client referrals from broker-dealers. Additionally, GRIA does not have any directed brokerage practices. GRIA has an arrangement with Shelter Rock pursuant to which GRIA receives client referrals. Please refer to *Item 14*.

Item 13. Review of Accounts

The Principals and other key employees review GRIA’s Advisory Client accounts on an ongoing basis. Such reviews include (but are not limited to) a review of investment objectives. GRIA frequently meets with property managers, construction managers, and corresponding site-level employees. The Advisory Affiliates also conduct periodic asset reviews of the investments of the Advisory Clients with the asset managers and executive management. Periodic site visits by senior management are also typically conducted.

The Advisory Committee of each Fund meets at least annually and reviews and approves/disapproves various matters as outlined in the relevant Governing Documents.

In addition to the foregoing, the Principals and other key personnel of the Advisory Affiliates monitor investments on an ongoing basis as needed based on their evaluation of each investment’s particular circumstances.

Investors will receive quarterly and annual financial reports from the Advisory Affiliates and such other information or commentary as GRIA deems appropriate.

Item 14. Client Referrals and Other Compensation

GRIA does not currently use the services of placement agents. Should GRIA retain the services of a placement agent in the future, it is expected that any fees paid to such placement agent will ultimately be borne by GRIA and/or its related entities, either directly or through an offset of the management fees payable by the relevant Fund to GRIA. A Fund investor will typically not bear any additional charges as a result of an introduction through a placement agent.

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 the 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 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 appropriately aligned with their portfolios' investment objectives and guidelines, investment restrictions (if any), asset allocation guidelines and restrictions, liquidity needs, and overall risk/return profiles.

Where a placement agent is used in connection with soliciting investors for a Fund, GRIA will, where required by applicable laws and regulations, provide prospective investors with detailed disclosures regarding such placement agent's compensation (and associated conflicts) via applicable Fund offering documents or separately. Prospective investors should carefully review such disclosures.

Item 15. Custody

GRIA is deemed to have custody of the assets owned by the Funds. To ensure compliance with Rule 206(4)-2 under the Advisers Act, GRIA will generally ensure that each of the Funds are subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the PCAOB and that each Fund's audited financial statements are provided to Investors within 120 days of the close of each Fund's fiscal year.

To the extent any of the Funds are not subject to annual audit as described above, GRIA will, among other requirements, be subject to an annual surprise examination by an independent accounting firm with respect to the assets of such Funds.

From time to time, GRIA or its affiliates utilize certain special purpose vehicles ("SPVs") to facilitate investments by one or more of the Funds. Certain SPVs have in the past and may in the future take the form of JV Entities (as described in Item 4 above). In accordance with applicable SEC guidance, GRIA generally treats the assets owned by the SPVs (including JV Entities) as assets of the relevant Funds of which GRIA has custody indirectly and therefore includes such assets within the scope of the Funds' financial statement audits, as described above. The application of Rule 206(4)-7 in the context of the JV Entities (or other SPVs) can often be complex and, to the extent GRIA believes the foregoing consolidated audit approach may not meet the requirements of Rule 206(4)-7 (after taking into account any relevant SEC guidance thereon) in any instance, GRIA will have the financial statements of the applicable JV Entity (or other SPV) separately audited and deliver such audited financial statements to the investors in such entity.

The funds and securities owned by Advisory Clients, other than certain uncertificated securities purchased in private transactions, are held with a "qualified custodian," as defined in the Custody Rule (*e.g.*, a bank, certain registered broker-dealer). Assets held by Advisory Clients that are not "funds or securities" (such as direct interests in real estate) are not subject to the Custody Rule and therefore need not be maintained with a qualified custodian.

Investors receive quarterly and annual reports from GRIA (or its affiliates). These reports should be carefully reviewed. Investors are urged to compare such reports to the information provided in the audited financial statements prepared by the Funds' auditor and/or the statements received from the qualified custodian, as applicable.

Item 16. Investment Discretion

The Advisory Affiliates are retained by the Advisory Clients to render advice on matters relating to the acquisition, management and disposition of investments, in all cases subject to the direction, supervision and review of the Affiliated Managers. As GRIA and the Affiliated Managers are under common control, in most instances the Affiliated Managers act upon the recommendations of GRIA in respect of the Funds,

but the counterparties to the JV Entities maintain discretion for acquisitions and dispositions made in respect of those entities' assets. The Governing Documents detail the investment strategy and the investment limitations applicable to each Advisory Client.

Item 17. Voting Client Securities

GRIA understands and appreciates the importance of proxy voting. Due to the nature of GRIA's advisory business, proxy votes are rarely received and GRIA does not currently, nor does it expect to in the foreseeable future, vote any proxy on behalf of its Advisory Clients. However, GRIA has adopted voting policies and procedures designed to ensure that, in the event that a proxy is received with respect to securities held by a Fund, GRIA will seek to vote each proxy in the best interests of Advisory Clients and Investors, absent specific voting guidelines from the client.

This may result in different voting results for proxies for the same issuer. GRIA's proxy voting policies and procedures are designed to ensure that GRIA identifies and resolves any material conflicts of interest that may arise during the proxy voting process, and if such a material conflict is identified, GRIA will determine what course of action is in the best interests of the Fund (which may include consulting the relevant Advisory Committee on how the proxy should be voted).

Investors may obtain additional information regarding how GRIA voted proxies and may obtain a copy GRIA's proxy voting policies and procedures by contacting the Chief Compliance Officer, Chris Souther, at csouther@griffisresidential.com.

Item 18. Financial Information

GRIA is not currently aware of any financial commitments that impair its ability to meet contractual and fiduciary commitments to Advisory Clients or Investors, nor has GRIA been the subject of a bankruptcy proceeding.