



BERKELEY PARTNERS MANAGEMENT, LLC

Form ADV Part 2A

March 29, 2024

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This Brochure provides information about the qualifications and business practices of Berkeley Partners Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (415) 295-8080 or compliance@berkeleypartners.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities' authority. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Berkeley Partners Management, LLC is also available on the SEC's Web site at <http://www.adviserinfo.sec.gov>.

ITEM 2 – MATERIAL CHANGES

This item discusses only specific material changes that are made to the Brochure since the Firm's last annual update. Since our last annual amendment dated, March 31, 2023, the following material changes have been made to this brochure:

- **Item 4 – Advisory Business** has also been updated with current regulatory assets under management of approximately \$2.5 billion.
- **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss -** has been updated to include risks associated with real estate credit investments.

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ITEM 4 – ADVISORY BUSINESS

Berkeley Partners Management, LLC (“BPM” or the “Firm”) is a Delaware limited liability company formed in 2016. The Firm is wholly owned by Berkeley Partners Group, LLC. The principal owner of Berkeley Partners Group LLC is Aaron Snegg.

BPM provides discretionary investment advisory services to privately held pooled real estate investment vehicles (“Funds”) and non-discretionary investment advisors services to joint ventures or separately managed accounts typically structured as limited liability companies (“Managed Accounts”), together herein referred to as “Clients.” All investment advisory services are delivered based on the investment objectives and strategies described in each of the Fund’s offering memorandum and/or investment management agreement or each Managed Account’s governing documents. The Funds and Managed Accounts invest in hard real estate assets and real estate credit and do not invest in publicly traded securities in any form.

BPM and affiliates comprise Berkeley Partners, a vertically integrated real estate operating company with 50+ employees specializing in the investment and management of light industrial real estate. Berkeley Partners handles most aspects of its real estate investment in-house, including leasing, facilities, construction and property management. Some functions, such as property accounting, are outsourced.

The Firm does not provide investment advice to individual investors in the Funds (“Investors”).

As of December 31, 2023, BPM’s discretionary assets under management were \$1,066,143,796 and non-discretionary assets under management were \$1,407,783,545 for a total of \$2,473,927,341 in regulatory assets under management.

ITEM 5 – FEES AND COMPENSATION

BPM receives investment management and performance-based fees from Clients in exchange for investment advisory services provided.

Funds:

Management Fees for Funds are 1.5% per year of the Capital Commitments, and after the Investment Period, 1.5% per year of the Net Invested Equity attributable to each limited partner. Performance-based fees, or carried interest, is 20%. In accordance with Fund offering memoranda, performance-based fees are calculated after the stated capital and return requirements are met for the Fund using the European waterfall distribution method.

Certain Investors in Funds may receive management fee and/or performance-based fee reductions from the General Partner.

Fund Management Fees are paid quarterly in advance and Fund performance-based fees are calculated and paid at the time of fund Distributions. Management fees are debited directly from the Fund. Investors receive quarterly statements from the Firm that show the value of the Investor’s capital account and the fees debited from the account.

Affiliates of BPM receive the following additional fees for services provided to one or more of the Funds:

- Property Management: 3% or 4% of gross revenue
- Construction Management: Either cost or 3.5% of total cost for projects over a certain threshold
- Leasing: Charged at cost or comparable market rate
- Development: Charged at cost
- Legal: Charged at cost for in-house counsel carrying out Fund-related work

In addition to the fees above, each Fund bears all of its operating expenses, including legal, organizational and other expenses. Fees may vary by Fund. Please refer to each Fund's confidential private placement memorandum for additional information on fees and expenses.

Managed Accounts:

Management and performance-based fees for Managed Accounts are fully negotiable. Management fees may be charged in advance or arrears. Fees associated with operating the properties including Property Management, Construction, Leasing and also, are also negotiated on an Account by Account basis.

All fee arrangements for Managed Accounts are specified in the governing documents.

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

As stated above, in addition to investment management fees, Berkeley Partners Management also receives performance-based fees from Clients managed by the firm. BPM does not manage any Client accounts which do not pay performance-based fees.

Performance-based fees may create an incentive for BPM to make investments that are riskier or more speculative than those that might have been made in the absence of such fees.

ITEM 7 – TYPES OF CLIENTS

BPM provides investment advisory services to Funds and Managed Accounts which invest in real estate assets. These Funds and Managed Accounts are generally organized as limited partnerships or limited liability companies.

Interests in the Funds are offered to pensions, foundations, endowments, corporations, trusts, high net worth individuals and other institutional investors. Fund Investors must qualify as both "accredited investors" and "qualified clients" as currently defined by SEC rules. The minimum initial subscription is \$5 million. BPM may waive or reduce investment minimums for certain Investors at its discretion.

Interests in the Managed Accounts are held by public or private institutional investors. These Investors must also qualify as "qualified clients."

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

Investment Strategy and Methods of Analysis

Identify and pursue a unique market niche. BPM focuses on acquiring light industrial real estate and, specifically, on deal sizes that range from \$5-50 million of gross value. The sellers of these assets are generally local / regional owners or large institutions. Additionally, the tenant base is typically composed of regional and national businesses. The smaller transaction sizes and variety of tenants result in reduced institutional competition on the buy side.

Choice of markets. BPM typically focuses on markets with mix of above average employment and population growth, as well as barriers to entry.

Focus on cost basis at acquisition. BPM targets under-managed properties that can be acquired at a low cost basis with a significant discount to the estimated replacement cost.

Active value-add initiatives. After acquisition, in our value-add strategy, BPM undertakes initiatives to move the assets to stabilization and identifies opportunities for value creation. This also includes selective ground-up development.

Core-plus acquisitions. Our core-plus strategy seeks to identify where the opportunity exists to acquire well-located industrial properties with stable in-place rent rolls and long term upside potential.

Diversification. BPM seeks to build a high quality diversified portfolio in order to manage risk, preserve, and protect capital. We expect to produce diversification through:

- *Markets:* Seek investments across a range of Metropolitan Statistical Areas, as defined by the U.S. Office of Management and Budget, and in markets with favorable long-term economic environments.
- *Tenants:* Achieve a highly diversified income stream by leasing to multiple tenants.
- *Industry Exposure:* Seek broad-based exposure to multiple industries through its tenant base.
- *Lease Expirations:* Seek to diversify the expiration periods of its leases to reduce rollover risk.

Risk of Loss

As with any investment, investing in real estate and real estate funds involves risk of loss that investors should be prepared to bear. Some of the risks associated with investing in real estate via private funds or managed accounts such as those managed by BPM include, but are not limited to, the following:

General Risks of Real Estate Investment. All real estate investments are subject to some degree of risk. For example, real estate investments are relatively illiquid and, therefore, will tend to limit a Client's ability to vary its portfolio promptly in response to changes in economic or other conditions. No assurances can be given that the fair market value of any real estate investments held by a Client will not decrease in the future or that a Client will recognize full value for any investment that a Client is required to sell for liquidity reasons. In addition, the ability of a Client to realize anticipated rental and interest income on its equity and debt investments will depend, among other factors, on the financial reliability of its tenants and borrowers, the

location and attractiveness of the properties in which it invests, the supply of comparable space in the areas in which its properties are located and general economic conditions. Other risks include changes in zoning, building, environmental and other governmental laws, changes in operating expenses, changes in real estate tax rates, changes in interest rates, changes in the availability of property relative to demand, changes in costs and terms of mortgage funds, energy prices, changes in the relative popularity of properties, changes in the number of buyers and sellers of properties, the ongoing need for capital improvements, cash-flow risks, construction risks, as well as natural catastrophes, acts of war, terrorism, civil unrest, uninsurable losses and other factors beyond the control of the Fund's management.

Additionally, a Client may, in certain instances, be responsible for structural repairs, improvements and general maintenance of real property. The expenditure of any sums in connection therewith beyond those budgeted for by a Client will reduce the cash available for distribution and may require it to fund deficits resulting from the operation of a property. No assurance can be given that a Client will have funds available to make such repairs or improvements. These factors and any others that would impede its ability to respond to adverse changes in the performance of its assets could significantly affect a Client's financial condition and operating results.

Risks Associated with Industrial Properties. A Client may invest in commercial or industrial properties, including special use single tenant properties. With these properties, if the current lease is terminated or not renewed, a Fund may be required to renovate the property or to make rent concessions in order to lease the property to another tenant or sell the property. In addition, a Fund may have difficulty selling the property to a party other than the tenant due to the special purpose for which the property may have been designed. These and other limitations may affect its ability to sell or re-lease industrial properties and may adversely affect returns to investors.

Properties historically used for industrial, manufacturing and commercial purposes are more likely to contain, or may have contained, underground storage tanks for the storage of petroleum products and other hazardous or toxic substances. Investing in industrial properties that conduct industrial, manufacturing and commercial activities will cause a Client to be subject to increased risk of liabilities under environmental laws and regulations. The presence of hazardous or toxic substances, or the failure to properly remediate these substances, may adversely affect the Client's ability to sell or rent an industrial property.

Development, Redevelopment and Construction Risks. A Client may invest in real property requiring construction, new development or redevelopment. The development and construction of such property is subject to timing, budgeting and other risks that may adversely affect its operating results. Any renovation, redevelopment, development and related construction activities could subject a Client to a number of risks, including risks associated with:

- Construction delays or cost overruns that may increase project costs;
- Availability and timely receipt of zoning, occupancy and other required governmental permits, authorizations and regulatory approvals;
- Development costs incurred for projects that are not pursued to completion;
- Acts of God such as earthquakes, hurricanes, floods or fires that could adversely impact a project;
- Labor conditions or material shortages that may adversely impact the cost and timing of construction;

- Inability to obtain construction and permanent financing on favorable terms, or at all; and
- Governmental restrictions on the nature or size of a project.

These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of construction or development activities once undertaken, any of which could have an adverse effect on the financial condition and results of operations of a Client and on the amount of funds available for distribution. Properties under construction or development, or properties acquired to be developed, generally generate no cash flow from the date of acquisition through the date of completion of construction or development and experience operating deficits for a period after the date of completion. A Client may commence construction, development or redevelopment activities prior to obtaining financing for such activities and there is no guarantee that financing will be available on favorable terms, or at all.

Possible Inability to Complete Renovation on Advantageous Terms. The renovation of existing properties involves significant risks in addition to those involved in the ownership and operation of established properties, including the risks that financing may not be available on favorable terms for renovation projects and that construction may not be completed on schedule or within budget, resulting in increased debt service expense and construction costs and delays in leasing such properties and generating cash flow. Substantial renovation activities are also subject to risks relating to the inability to obtain, or delays in obtaining, all necessary zoning, land-use, building, occupancy and other required governmental permits and authorizations. Once completed, such renovated properties may perform below anticipated levels, producing cash flow below budgeted amounts. In addition, substantial renovations, regardless of whether or not they are ultimately successful, typically require a substantial portion of management's time and attention, which could divert management's time from a Client's day-to-day operations. If a Client anticipates that future renovation activities may be financed through construction loans, in which case there is a risk that, upon completion of construction, permanent financing may not be available or may be available only on disadvantageous terms.

Volatility of Property Income. The volatility of operating income for a property also may be influenced by matters such as: the length of tenant leases; the creditworthiness of tenants; the level of tenant defaults; the ability to convert an unsuccessful property to an alternative use; new construction in the same market as the subject property; rent control laws or other laws impacting operating costs; the number and diversity of tenants; the availability of trained labor necessary for tenant operations; the rate at which new rentals occur; and the property's operating leverage (which is the percentage of total property expenses in relation to revenue), the ratio of fixed operating expenses to those that vary with revenues, and the level of capital expenditures required to maintain the property and to retain or replace tenants. A decline in the real estate market or in the financial condition of a major tenant will tend to have a more immediate negative effect on the net operating income of properties with short-term revenue sources (such as short-term or month-to-month leases) and may lead to higher rates of delinquency or defaults under mortgage loans secured by such properties.

Termination or Expiration of Leases. Properties may be subject to existing leases with major tenants occupying a substantial portion of the properties. There can be no assurance that a Client will be able to retain tenants in any of their respective properties upon the expiration of their leases. Upon the expiration or early termination of such leases, the availability of the large blocks of space they cover may have an adverse effect on the Client's ability to achieve the lease terms and rents it might otherwise be able to achieve if space were to turn over in smaller portions, spread out over a period of time. If the space is suited to the particular needs of a former tenant, then a Client may have difficulty finding a new tenant for the space or may need to redevelop such space.

Unable to Lease Properties. Any of a Client's properties could become partially or completely vacant in the future. If a Client is unable to re-lease these properties and generate sufficient cash flow to replace or exceed that amount lost due to the vacancy, it will be required to recognize a financial loss as to that property, which could reduce its operating results and ability to make distributions.

Environmental Risks on Real Estate. Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real estate (which may include a lender in some instances) may be required to investigate and clean up any hazardous or toxic substances or petroleum product releases at such property and may be liable to a governmental entity or to third parties for property damage and for investigation and cleanup costs incurred by such parties in connection with contamination. These laws typically impose clean up responsibility and liability without regard to whether the owner knew of or caused the presence of the contaminants, and the liability under such laws has been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of responsibility. The cost of investigation, remediation or removal of such substances may be substantial, and the presence of such substances or the failure to properly remedy the contamination on such property may adversely affect the owner's ability to sell or rent such property or to borrow using such property as collateral. Persons who arrange for the disposal or treatment of hazardous or toxic substances or petroleum products at a disposal or treatment facility may also be liable for the costs of removal or remediation of a release of hazardous or toxic substances or petroleum products at such disposal or treatment facility, whether or not the facility is owned or operated by such person. In certain circumstances, third-party lenders which have directed or had an active involvement in the environmental compliance activities or the day-to-day management of a borrower's facilities or which have taken possession of or title to such borrower's collateral may be liable for the costs of removal or remediation of a release of hazardous or toxic substances or petroleum products at the facility. In addition, some environmental laws create a lien on the contaminated site in favor of the government for damages and costs it incurs in connection with contamination. The owner of a site may also be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from a site. Certain federal, state and local laws, regulations and ordinances govern the removal, encapsulation or disturbance of asbestos-containing materials ("ACMS") when such materials are in poor condition or in the event of construction, remodeling, renovation or demolition of a building. These laws may impose liability for release of ACMs and may provide for third parties to seek recovery from owners or operators of real property for personal injury associated with ACMs.

In connection with its direct or indirect ownership and operation of real estate, a Client may incur liability for such environmental costs. Additionally, changes in environmental laws or in the environmental condition of an asset may create liabilities that did not exist at the time of acquisition and that could not have been foreseen

Risks of Leverage. The amount of borrowings which a Client may have outstanding and/or to which its target investments may be subject at any time may be large in relation to its capital, the then current value of its target investments and/or its uncalled Capital Commitments. Although the use of leverage may enhance returns, it will also substantially increase a Client's risk of loss. For example, under declining market conditions, a decline in the value of the collateral securing a mortgage loan could result in covenant breaches and defaults by a Client. Because borrowings may be cross-collateralized, it is likely that a Client could experience concurrent foreclosures of multiple financed assets, accompanied by attendant losses upon lender liquidations.

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 a Client. Any dramatic change in the real estate business may substantially increase the risks that a Client will not be able to obtain such financing. Furthermore, the use of leverage will subject a Client to risks normally associated with debt financing, including the risk that a Client's cash flow will be insufficient to meet required payments of principal and interest, the risk that the indebtedness on the investments will not be able to be refinanced and the risk that the terms of any refinancing will not be as favorable as the terms of the existing indebtedness. A Client may, under some circumstances, be required to liquidate assets to service interest and principal obligations on leveraged assets. If a Client defaults on indebtedness secured by a particular property, then the lender may foreclose and it could lose its entire investment in the property. Moreover, if a Client is required to deleverage as a result of changing market conditions, to comply with the limitations on its ability to leverage or otherwise, then it may be forced to sell investments at inopportune times or at disadvantageous prices.

Casualty Losses; Uninsurable Losses. Clients intends to maintain insurance on each of its assets in amounts sufficient to permit the replacement of the assets in the event of a total loss, subject to applicable deductibles, and will endeavor to obtain coverage of the types and in the amounts customarily obtained by owners of real estate. However, there can be no assurance that insurance will be available or sufficient to cover any such risks. Additionally, there are certain types of losses, generally of a catastrophic nature, including, without limitation, losses sustained from terrorist strikes, earthquakes, floods and hurricanes, which may be uninsurable, not economically insurable or for which insurance may only be available in amounts that are less than the full market value or replacement cost of the insured properties. Also, there can be no assurance that any risks currently insurable will continue to be insurable on an economic basis. Inflation, changes in building or zoning codes and ordinances, environmental considerations, and other factors may also make it infeasible to use insurance proceeds to replace an asset if it is damaged or destroyed. Under such circumstances, the insurance proceeds received by a Client might not be adequate to restore its economic position with respect to a particular property. Further, if a Client is a pooled investment fund, the Client's assets may be at risk in the event of an uninsured or under-insured liability to third-parties.

General Risks Associated with Real Estate Interests. "Real Estate Interests" are interests that entitle the holders thereof to receive payments that depend primarily on the cash flow from or sale proceeds of mortgage loans or interests in mortgage loans ("Commercial Mortgage Loans"), including subordinate Commercial Mortgage Loans, participation interests (which may be subordinate interests) in Commercial Mortgage Loans ("Subordinate Loan Interests"), mezzanine loans secured by ownership interests in entities owning commercial properties ("Mezzanine Loans") and mortgage loans secured by mortgages on commercial real estate properties that are subject to a lease to a single tenant ("Credit Lease Loans"). The Subordinate Loan Interests in which Clients may invest may include (i) subordinate participation interests which rank junior in priority to more senior interests in the same Commercial Mortgage Loan (the "Senior Interests") and (ii) subordinate Commercial Mortgage Loans which rank junior in priority to more senior debt secured by the same mortgaged property (the "Senior Loans"). Although allocation of payments received from the underlying obligor may vary from deal to deal, such payments are generally allocated pursuant to the applicable loan documents first to pay interest and principal (or, a pro rata share of principal) with respect to the Senior Loan or Senior Interests and then to pay interest and principal with respect to the subordinated Commercial Mortgage Loan and Subordinated Loan Interests. Notwithstanding any such allocation, after the occurrence and during the continuation of an event of default under the applicable loan documents, the Subordinate Loan Interests are generally not entitled to receive any payments of principal or interest unless and until the related Senior Loan or Senior Interests are paid in full. In addition, any losses and expenses, including losses of principal or interest,

non-recoverable advances, interest on advances and special servicing compensation are generally borne first by the subordinated Commercial Mortgage Loan and Subordinated Loan Interests and then by the Senior Loan and Senior Interests.

The Senior Loans, if any, and Senior Interests relating to the Subordinate Loan Interests and subordinate Commercial Mortgage Loans may be securitized (such securitization trusts, the “Senior Securitizations”). Servicing of the related Commercial Mortgage Loans is generally performed by a servicer or special servicer appointed pursuant to the documents governing the Senior Securitizations, subject to the provisions of the related inter-creditor agreement. Although a Client, as holder of the Subordinate Loan Interests and subordinate Commercial Mortgage Loans (or the Sponsor or an operating advisor on its behalf), may have the right to appoint the special servicer for the related Commercial Mortgage Loan and may have limited rights to consult with, and approve certain servicing actions of, the servicer or special servicer of the Commercial Mortgage Loan appointed pursuant to the documents governing the Senior Securitization, such rights will generally terminate if the principal balance of such Subordinate Loan Interests, as the result of principal write-downs or appraisal reductions, is reduced below a specified percentage threshold of the principal balance. Generally, the issuer will not have the right directly to enforce compliance by the borrower with the terms of the loan documents or to waive enforcement thereof, and has assigned to the holder of the related Senior Loan, if any, and Senior Interests (or the servicer or special servicer on its behalf) the right to vote all claims in any bankruptcy of the borrower. In addition, the loan documents typically restrict the transfer of interests in the Subordinate Loan Interests to persons other than certain institutional investors. In addition, the rate of defaults and losses on Real Estate Interests will be affected by a number of factors, including general economic conditions and those in the area where the related mortgaged property is located, the borrower’s equity in the mortgaged property and the financial circumstances of the borrower. If a Real Estate Interest is in default, foreclosure of any portion of such Real Estate Interest may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for the defaulted residential mortgage loans or foreclosed properties constituting such Real Estate Interest may be very limited.

Risks Associated with Credit Lease Loans. Clients may invest Credit Lease Loans. Each underlying borrower is expected to be an entity limited by the related mortgage loan documents solely to owning, operating and leasing the related mortgaged properties or the entity which owns the related mortgaged properties and is not expected to have any material assets other than those related to its interest in such mortgaged properties. As a result, debt service payments on such mortgage loans, and payments on any Credit Lease Loans are expected to depend principally on the payments made by the respective tenants or guarantors under each credit lease and consequently on the credit worthiness of any such tenant or guarantor. If an event of default occurs under a related credit lease (including a default arising from the commencement of a bankruptcy case involving the tenant or guarantor) there could be an interruption in the timely payment of rental payments under the related credit lease or guaranty or the amount of such payment may be reduced. As a result, the borrower may be unable to make the required debt service payments with respect to the related Credit Lease Loan. Moreover, if an event of default occurs or a credit lease is rejected in a tenant bankruptcy case, realization of amounts owing under such lease or loan may be substantially reduced, and substantial delays and expenses may occur in the borrower obtaining possession of the mortgaged property through eviction or similar proceedings under applicable law or releasing or selling the mortgaged property. If a mortgaged property is re-let, the rental payments generated by releasing the mortgaged property may be substantially less than the rental payments due under the related credit lease and less than amounts owed under the related Credit Lease Loan. In addition, Credit Lease Loans may be affected by the risks described above with respect to Commercial Mortgage Loans.

The Credit Lease Loans are generally expected to be triple-net credit tenant loans, which means that the tenant (i) has no right to terminate or abate rent, except for certain limited events, and (ii) is required to pay all costs and expenses associated with the operation, repair and maintenance of the property, except for certain limited circumstances. Additionally, Credit Lease Loans may not require principal payments until maturity, and thus may require payment in full of the balance at maturity (i.e., balloon loans). Balloon loans pose a special payment risk because at maturity, the lessee must either (i) purchase the property for an amount equal to the outstanding balance or (ii) cause the respective mortgaged property to be sold whereby the proceeds from such sale will be used to repay the Credit Lease Loan. If the lessee is unable to pay the lump sum upon default or final maturity or to refinance such amount at final maturity, the Client may suffer a loss if the collateral for such Credit Lease Loan is insufficient or unavailable to pay the related loan.

Risk of Default or Insolvency of Counterparty. The leveraged capital structure of most of the borrowers which a Client may expect to finance, will increase these borrowers' exposure to adverse economic factors (such as rising interest rates, competitive pressures, downturns in the economy or deterioration in the condition of the borrower or its industry) and to the risk of unforeseen events. This leverage may result in more serious adverse consequences to any such borrower (including to its overall profitability or solvency) if these factors arise or events occur when compared to the consequences that may be suffered by less leveraged borrowers. For example, rising interest rates may significantly increase a borrower's interest expense, or a significant industry downturn may affect a borrower's ability to generate positive cash flow, in either case causing an inability to service outstanding debt. If a borrower cannot generate adequate cash flow to meet its debt obligations, then the borrower may default on its loan agreements or be forced into bankruptcy or insolvency (which may lead to restructuring or liquidation). As a result, the Client may suffer a partial or total loss of capital invested in that borrower, particularly in respect of Target Investments in subordinated positions.

Borrower Default. If a borrower defaults on a loan held by a Client, the Client may seek to foreclose upon the real property serving as collateral for such loan. In such event, the Client may obtain fee title to the real property serving as collateral and will be subject to the risks incident to the ownership and operation of real estate. Such risks include, but are not limited to the risks associated with the general economic climate, local real estate conditions (including the availability of excess supply of properties relative to demand), changes in the availability of debt financing, credit risk arising from the financial condition of tenants, buyers, and sellers of properties, geographic market concentration, competition from other space, vacancy, tenant defaults, construction related risks, condemnation, the ability of the Client or the property manager to manage the asset, government regulations (such as changes in regulations governing land usage, improvements, zoning, and environmental issues), liability arising out of the presence of certain construction materials, uninsurable losses, and fluctuations in interest rates, liability for injury to persons and property occurring on the property or in connection with the activity conducted thereon, liability related to environmental contamination, liability for non-compliance with governmental regulations and acts of God and natural disasters. A Client may be subject to the burdens of ownership of real property, which include paying expenses and taxes, maintaining the asset, and ultimately disposing of the asset. The possibility of a partial or total loss of capital will exist.

The marketability and profitability of, and the ability to foreclose on, any property may be adversely affected by local, regional, and national economic conditions beyond the control of the Client. Favorable changes may not necessarily enhance the marketability or profitability of a property. No assurance can be given that there will be a ready market for the sale of any real property acquired by the Client pursuant to a foreclosure. The sales prices of such properties will depend on a variety of factors, including the value of a particular property in relation to similar properties in the market area, the property's history and condition, the availability of tax

benefits associated with such properties, the then projected economic and demographic trends for the immediate area in which such properties are located, the availability of purchasers and the availability and terms of credit and financing for a purchaser of a particular property. A Client may provide financing in connection with the sale of any property and therefore receive as partial payment a purchase money obligation of the purchaser, thereby decreasing the cash immediately available for distribution and subjecting the Client to the risk of default on the purchaser's debt obligation and certain potential adverse tax consequences. In addition, to the extent there is a lack of readily available and reasonably priced debt financing available to potential purchasers at the time the Client is ready to dispose of a foreclosed property, it could materially and negatively affect the number of potential purchasers and the prices purchasers are willing to pay to the Client for such investment.

Risks Relating to Debt Investments. Clients may invest in mortgage loans, mezzanine debt or other indebtedness secured by real property. Such debt investments are subject to, among other risks, (i) the risk of borrower default, (ii) the risks attendant to foreclosure, (iii) the risk of delays and expenses due to interposed defenses or counterclaims, and the possibility that a foreclosure sale may be challenged as a fraudulent conveyance, regardless of the parties' intent, (iv) the risk that a Client may be limited in its ability to collect certain funds due to it from a borrower and (v) the risk that the borrowers may not maintain adequate insurance coverage against liability for personal injury and property damage in the event of casualty or accident.

Non-Performing Target Investments. Target investments originated or acquired by Clients may thereafter become non-performing for a wide variety of reasons. Such non-performing target investments may require a substantial amount of 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 principal of such loan. However, even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such target investment, replacement "takeout" financing will not be available. It is possible that the General Partner may find it necessary or desirable to foreclose on collateral securing one or more target investments originated or acquired by a Client. The foreclosure process will vary 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 mortgage, including lender liability (as described below) claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action. During the 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.

Prepayment Risks. The mortgage loans expect to be collateralized by a Client's investments may be subject to prepayment. Prepayments on mortgage loans are affected by a number of factors. If prevailing rates for similar mortgage loans fall below the interest rates on such mortgage loans, prepayment rates would generally be expected to increase. Conversely, if prevailing rates for similar mortgage loans rise above the interest rates on such mortgage loans, prepayment rates would generally be expected to decrease. Certain credit investments may have lockout periods and/or defeasance periods during which prepayment is prohibited or prepayment penalties or premiums or defeasance features are required to be paid upon a prepayment. However, certain of such mortgage loans permit prepayment after such lockout periods or the periods for such prepayment penalties or premiums have expired. Prepayments on a mortgage loan are also affected by the value of the related mortgaged property, the borrower's equity in the mortgaged property, the financial circumstances of the borrower, fluctuations in the business operated by the borrower on the mortgaged property, competition,

general economic conditions and other factors. However, there can be no assurance that any credit investment will prepay at any particular rate.

Fair Value Asset Valuation. Target investments will be presented in financial statements on a “fair value basis.” In the case of many of the target investments, it is unlikely that readily available price quotations will exist. Accordingly, Limited Partners will need to rely on the judgment of BPM for valuing and pricing the target investments, both for financial statement purposes and in connection with disposing of such investments. A valuation is only an estimate of value and is not a precise measure of realizable value. Ultimate realization of the value of an asset depends to a great extent on economic and other conditions beyond the control of a Client. Further, valuations do not necessarily represent the price at which an investment would sell since market prices of investments can only be determined by negotiation between a willing buyer and seller. If a Client were to liquidate a particular investment, the realized value may be more than or less than the appraised valuation of such asset.

Illiquidity of Investments. The investments to be made by a Client will be illiquid, and it is unlikely that there will be a public market for any the investments held by a Client. A Client generally will not be able to sell its target investments publicly. While an investment may be disposed of at any time, it is generally expected that investments will be held for a number of years after being made. It is possible that a Client may not encounter favorable disposition, financing or refinancing terms for its investments, thereby reducing its returns. No assurances can be given that all target investments will be able to be liquidated prior to the scheduled expiration of the term of a Client.

Possible Lack of Diversification. While BPM intends to employ some degree of portfolio diversification as one of its risk management strategies, a Client is expected to participate in a limited number of investments and there can be no assurances concerning the diversification of a Client’s investments either by geographic region or asset type. To the extent a Client concentrates its investments in certain geographic markets, adverse events or conditions affecting these markets in particular could have a more negative effect on the financial condition and operations of a Client than if its investments were more geographically diverse. Similarly, a Client’s financial condition and results of operations could be adversely affected by conditions affecting a Client’s specific property types. This could lead to increased risk as a result of a Client having an unintended long-term investment and reduced diversification. A limited degree of diversification increases risk because, as a consequence, the aggregate return of a Client may be substantially adversely affected by the unfavorable performance of even a single investment.

Inflation and Recession Risk. The U.S. inflation rate for the twelve months ended February 28, 2023 was 6.0%, and remains one of the highest rates of inflation in the United States since the twelve month period ending November 1981. Economists generally believe that this recent spike in the inflation rate has been driven by a number of factors including (among others) global supply chain issues, the increased cost of oil and other commodities, changes in consumer buying patterns during the COVID-19 pandemic and the massive influx of dollars into the U.S. economy as a result of governmental rescue and stimulus programs implemented since the beginning of the COVID-19 pandemic. The current Russian-Ukraine conflict, which has resulted in increased energy prices and sanctions disrupting the normal patterns of global trade, is likely to exacerbate inflationary conditions. To address recent high inflation rates the Federal Reserve announced several increases to its benchmark interest rate and may approve one or more additional rate increases in 2023, which increases may be significant and which may spell the end for the foreseeable future of what has been a prolonged period of low interest rates.

As the Federal Reserve and other central bank authorities globally increase interest rates to address inflation, many observers believe, together with ongoing global supply chain issues and other factors, that the growth of US and other western economies may contract over time leading to a recession in the US and abroad. It is impossible to predict whether a recession will actually occur and, if it does occur, the length and severity of any such recession. If a moderate to severe recession were to occur in the US and in other western countries for a prolonged period of time, it would be expected to adversely affect the markets in which a Client operates and could materially and adversely the performance of the investments of a Client and the prospects and returns of that Client.

Potential Emerging Banking Crisis. Inflation, and resulting rapid increases in interest rates, have led to a decline in the trading values of previously issued government securities with interest rates below current market interest rates. Certain financial institutions holding significant positions in these government securities have accumulated substantial unrealized losses, which has impaired or could impair the ability of such institutions to meet customer and other liquidity needs. Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems.

Concerns about the overall financial health and stability of the U.S. banking sector remains high, with many bank stocks trading at significantly lower prices than they did before the crisis began. Governmental intervention may be required to stabilize the U.S. banking sector in the future if additional U.S. banks, particularly larger banks, appear to be at a risk of failure; it is unclear, however, whether the government would intervene in such circumstances and, if it did, whether such governmental intervention would be sufficient to forestall a full-blown banking crisis. It is also possible that further government intervention could result in other unforeseen adverse impacts on the economy over the short or long term.

Even if, ultimately, market concerns about the financial health and stability of U.S. and global banking sectors are successfully addressed, many observers believe that the risk of a recession occurring in the U.S., and perhaps in other major global economies, has increased because of the recent events in the banking sector. Relatedly, these events may prompt the Federal Reserve Board and other central banking authorities to slow down the pace of future increases in benchmark interest rates, which could make it more difficult for the U.S. and other governments to mitigate inflationary pressures in the economy and contribute to a period of higher inflation.

Banking Sector Risks on Client Operations and Performance. It is likely that, if the banking sector situation continues to deteriorate, the U.S. and/or other global economies would be adversely affected, including the possibility of recession, the duration and severity of which are difficult to predict. Among other things, a weakening in the macroeconomic situation could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for a Client to identify and source investments; finance and other consummate investments which are sourced or refinance existing investments; and dispose or otherwise monetize investments at attractive valuations.

Any decline in available funding or access to a Client's cash and liquidity resources could, among other risks, adversely impact the Client's ability to meet the operating expenses, financial obligations or fulfill other obligations, result in breaches of its financial and/or contractual obligations or result in violations of laws or

regulations that are applicable to the Client. In addition, it is possible that the incidence of Capital Call defaults may increase. The cumulative effect of the foregoing could adversely impact the value of Client holdings and overall Client performance in the case of pooled investment vehicles.

Limited Partner Default Risk. If a bank is a significant Limited Partner in a Fund Client and the bank goes into receivership, it may make it more likely that such Limited Partner will be unable to satisfy its Capital Calls and other obligations to the Fund Client. Other Limited Partners may hold deposits at a bank that may go into receivership and then access to such deposits may be delayed and/ or such deposits may be underinsured that may impair a Limited Partner's ability to satisfy its Capital Calls and other obligations to a Fund Client. Also, any further deterioration in the macroeconomic economy or financial services industry could lead to losses or defaults by Limited Partners in a Fund Client, which in turn, could have a material adverse effect on a Fund Client's current and/or projected business operations and results of operations and financial condition. Failure by Limited Partners to satisfy Capital Calls or other obligations to a Fund Client could have adverse effects on the Fund Client and its investments, including the Fund Client not being able to consummate a potentially valuable investment and a possible breach by the Fund Client under its agreement to acquire such investment.

Manager/General Partner Risk. If the Manager, the General Partner or related party has a banking relationship with a bank that goes into receivership, the Manager's and/or the General Partner's ability to manage or operate a Client consistent with its past business practices could be negatively impacted, potentially resulting in a disruption in operations. In addition, service providers with whom the Manager, the General Partner and/or a Client does business may have relationships with banks that go into receivership, which could negatively impact such service providers and, therefore, the services the Manager, the General Partner and/or the Client receives from such service providers.

ITEM 9 – DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of BPM or the integrity of BPM's management. BPM has no applicable information to this Item.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither BPM, nor its management persons, are registered, or have an application pending to register, as a broker-dealer, a representative of a broker-dealer, a futures commission merchant, a commodity pool operator, commodity trading advisor or an associated person of the foregoing.

Related Persons:

As described in Item 4 Berkeley Partners is a vertically-integrated operating company, which provides investment advisory, property management, leasing services, construction and development management to its Clients. Further, the general partners or managing members of the Clients are affiliates of BPM. For a description of material conflicts created by the relationship among the Adviser and the affiliates, as well as a description of how such conflicts are addressed, please see Item 11.

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

In recognition of our fiduciary duty to our clients, and by extension our investors, and in compliance with Rule 204A-1(a) of the Investment Advisors Act of 1940 we have instituted a Code of Ethics. The Code of Ethics aims to eliminate or minimize any conflicts of interest with our clients and investors. It requires our supervised persons to comply with fiduciary obligations to clients and investors and with all applicable securities laws. Additionally, the Code also contains specific requirements relating to personal trading, insider trading, conflicts of interest and confidentiality of client and investor information as well as requiring supervised persons to report any violations of the Code of Ethics promptly to the Chief Compliance Officer. Annually, each supervised person must certify that he or she complied with the Code of Ethics during the preceding year.

BPM clients or prospective clients may request a copy of the Firm's Code of Ethics by contacting BPM at (415)295-8080 or compliance@berkeleypartners.com.

Allocation of Investment Opportunities:

Because BPM may advise more than one Client at a time, there could be conflicts of interest over the time devoted to managing any one Client or allocating investment opportunities among Clients we advise. BPM has adopted an investment allocation policy to address this conflict. Per our policy, BPM selects investments for each Client based solely on investment considerations for that Client and generally does not initiate the organization of a new Fund or Managed Account until the Investment Period of a previous Fund or Managed Account that invests in similar properties has terminated or is nearing termination. BPM attempts to resolve all conflicts in a manner that is fair to all Clients and will at all times place the interest of the Clients ahead of the interests of the Firm and the Firm's employees.

ITEM 12 – BROKERAGE PRACTICES

As the Clients managed by BPM invest solely in real estate assets, and not publicly traded securities, to date, BPM has not directly established relationships with any securities brokers.

ITEM 13 – REVIEW OF ACCOUNTS

BPM's investment committee will review all investments at the time of acquisition to ensure that the investments meet the requirements set forth in the various Fund offering memoranda or Managed Account governing documents.

BPM issues quarterly and annual reports to investors which generally report and are intended to demonstrate the performance of the Funds' or Clients' assets as well as providing an asset holding summary and summary of significant events affecting the Funds' or Clients' holdings. Additionally, each Investor receives an annual K-1 highlighting the tax effects and performance of their investment and a copy of the Client's audited financial statements.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

BPM has entered into placement agreements with placement agents who solicit investors for the Funds. Under the terms of these agreements registered representatives of the placement agents are compensated for introducing investors to the Funds. These placement fees are paid by each Fund's General Partner from a portion of the management and/or performance based fees earned. Such fees do not increase the fees charged to each Investor.

BPM does not receive any compensation for the referral of clients or investors.

ITEM 15 – CUSTODY

Under Rule 206(4)-2 of the Advisors Act (the "Custody Rule"), BPM has custody of Client assets because a BPM affiliate serves as the general partner or managing member of the Client. In accordance with the Custody Rule, each Client is subject to an annual audit and audited financial statements are distributed to each investor within 120 days of the fiscal year end.

ITEM 16 – INVESTMENT DISCRETION

For Funds BPM receives discretionary authority at the outset of an advisory relationship to select the particular real estate assets to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Fund.

For Managed Accounts, all acquisitions and dispositions of properties are conducted under the terms of the governing documents.

ITEM 17 – VOTING CLIENT SECURITIES

BPM invests solely in real estate assets and does not invest in publicly traded securities. Therefore, it does not take any action or render any advice with respect to the voting of proxies.

ITEM 18 – FINANCIAL INFORMATION

BPM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients nor has it been the subject of a bankruptcy proceeding.