

ITEM 1 - COVER PAGE

FORM ADV PART 2A

OREI ADVISORS LP

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of OREI Advisors LP (the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at (650) 681-0185. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

The Adviser is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding the Adviser is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

The Adviser filed its most recent Form ADV Part 2 on March 30, 2023. This annual amendment updates the description of the business practices of the Adviser and its affiliates, including regarding fees and expenses, and certain risks and potential conflicts of interest.

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ITEM 4 - ADVISORY BUSINESS

OREI Advisors LP, a Delaware limited partnership and a registered investment adviser (the “**Adviser**”), and its affiliated investment advisers provide investment advisory services to investment funds, which are privately offered to qualified investors in the United States and elsewhere. The Adviser and its advisory affiliates commenced operations in April 2016.

The Adviser’s clients include the following (each, a “**Fund**,” and collectively, together with any future private investment fund to which the Adviser and/or its affiliates provide investment advisory services, the “**Funds**”):

- OREI Fund I LP
- OREI Fund I-A LP (together with OREI Fund I LP, “**Credit I Fund**”)
- OREI Long Term Equity Fund LP
- OREI Long Term Equity Fund A LP (together with OREI Long Term Equity Fund LP, “**LTE Fund**”)
- OREI Credit II LP
- OREI Credit II A LP (together with OREI Credit II LP, “**Credit II Fund**”)
- OREI Dana Point Co-Investment LP, OREI HLP Co-Invest LP, OREI LCR Co-Invest LP, Ohana SVB Co-Invest LP and Ohana SVB Co-Invest A LP (collectively, the “**LTE Co-Invest Funds**”)
- Ohana Equity Fund II LP
- Ohana Equity Fund II A LP (together with Ohana Equity Fund II LP, “**Equity II Fund**”) and LTE Fund (together with Equity II Fund, the “**Equity Funds**”)
- Ohana Credit III LP
- Ohana Credit III A LP (together with Ohana Credit III LP, (“**Credit III Fund**”) and Credit III Fund together with Credit II Fund and Credit I Fund, the “**Credit Funds**”)

The following general partner entities are affiliated with the Adviser:

- OREI Fund I GP LP
- OREI Long Term Equity Fund GP LP (“**LTE General Partner**”)
- OREI Credit II GP LP (“**Credit II General Partner**”)
- Ohana Equity Fund II GP LP (“**Equity II General Partner**”)

- Ohana Credit III GP LP (“**Credit III General Partner**”)
- together with OREI Fund I GP LP, LTE General Partner, the Equity II General Partner, the Credit III General Partner and any future affiliated general partner entities, the “**General Partners**,” and the General Partners together with the Adviser, the “**Advisers**”

In addition to the Funds, the Adviser also manages assets of other client investment accounts on a separately managed basis (each, an “**SMA**,” and collectively, the “**SMAs**”). The SMAs generally invest or previously invested alongside certain Funds. References herein to the “Funds” generally should be read to include the SMAs as the context so requires.

The Advisers are subject to the Advisers Act pursuant to the Adviser’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the Advisers, which operate as a single advisory business and are under common control. The Advisers also operate together with their affiliated and associated entities as “Ohana,” “Ohana Real Estate Investors” and/or “OREI.”

The Funds are private real estate funds and invest through negotiated transactions primarily in real estate and real estate-related debt and equity securities and other investments, generally referred to herein collectively as “**portfolio investments**.” The Adviser may also invest the Fund assets and its other client assets, into joint ventures or the public equity or debt securities of real estate-related companies. The Advisers’ investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments, as applicable. Where such investments consist of real estate equity investments, George Christopher Smith (the “**Principal**”) or other senior personnel of the Advisers or their affiliates may serve on such portfolio investments’ respective boards of directors or otherwise act to influence control over management of portfolio investments held by the Funds.

The Advisers’ advisory services to the Funds are detailed in the applicable private placement memoranda, disclosure document or other offering documents (each, a “**Memorandum**”) and/or limited partnership or other operating agreements of the Funds, service agreements or governing documents (each, a “**Fund Agreement**” and, as applicable, together with any relevant Memorandum, the “**Governing Documents**”) and are summarized below under “Item 8. Methods of Analysis, Investment Strategies and Risk of Loss,” as applicable. Investors in the Funds (generally referred to herein as “investors” or “limited partners”) participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Governing Documents; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between the Adviser and any investor. The Funds or the Advisers have entered into side letters or other similar agreements (“**Side Letters**”) with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the Governing Documents with respect to such investors.

Additionally, as permitted by the Governing Documents, the Adviser expects to provide (or agree to provide) investment or co-investment opportunities (including the opportunity to

participate in co-invest vehicles) to certain current or prospective investors or other persons, including other sponsors, market participants, finders, consultants (including the Real Estate Services Group, as defined below) and other service providers, portfolio investment management or personnel, Adviser personnel and/or certain other persons associated with the Adviser and/or its affiliates (e.g., a vehicle formed by the Adviser's Principals to co-invest alongside a particular Fund's transactions). Such co-investments typically involve investment and disposal of interests in the applicable portfolio investment at the same time and on the same terms as the Fund making the investment. However, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio investment (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to minimize any changes in valuation of the investment, but in certain instances could be well after the Fund's initial purchase. Where appropriate, and in the Adviser's sole discretion, the Adviser is authorized to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent any such amounts are not so charged or reimbursed (including charges or reimbursements required pursuant to applicable law), they generally will be borne by the relevant Fund. Since its inception, the LTE General Partner has formed multiple co-investment vehicles and SMAs that invest alongside the LTE Fund in its investments.

As of December 31, 2023, the Adviser managed \$ 1,306,620,441 in client assets on a discretionary basis. OREI Fund I UGP LLC, a Delaware limited liability company, acts as the general partner of the Adviser. The Adviser is controlled by the Principal, and is principally owned by Ohana Real Estate Investors, LLC and GCS & SBS Investments LLC, each of which are controlled by the Principal.

ITEM 5 - FEES AND COMPENSATION

In general, the Adviser and/or its affiliates receive a management fee (the "**Management Fee**") and a carried interest in connection with the provision of advisory services to its clients. The Advisers are eligible to receive additional compensation in connection with management and other services performed for portfolio investments of the Funds and such additional compensation will offset in whole or in part the Management Fees otherwise payable to the Advisers to the extent provided by the relevant Governing Documents. In addition, in certain circumstances, such as those discussed herein with respect to the SMAs, the Adviser receives compensation for management and other services performed in connection with certain co-investments made in Fund investments. Investors in the Funds also bear certain expenses.

Management Fees

Credit I Fund

Each Credit I Fund investor pays the Adviser and/or its affiliate a Management Fee equal to a fixed percentage *per annum* of (i) such investor's aggregate capital contributions (which

includes the portion of its unfunded commitment committed for existing investments, and to the extent capital contributions are never made with respect to such amounts, subsequent Management Fee payments will be reduced by, or the General Partners will refund to such investor, the portion of the Management Fee relating to such amounts), less (ii) the aggregate amount of such investor's capital contributions (A) that have been repaid or recouped as a payment of principal with respect to investments and the proceeds thereof have been distributed to the investor, or (B) with respect to each investment that has been disposed of, and the proceeds thereof have been distributed to the investor, or (C) with respect to any investment that has been completely written-off.

Credit II Fund

Each Credit II Fund investor pays the Adviser and/or its affiliate a Management Fee equal to (i) a fixed percentage per annum of such investor's invested commitments (as such term is defined in the Fund Agreement of Credit II Fund) and (ii) following a subsequent closing, a fixed percentage commitment fee per annum on undrawn commitments during the Credit II Fund's investment period based on such investor's commitment.

Credit III Fund

Each Credit III Fund investor pays the Adviser and/or its affiliate a Management Fee equal to a fixed percentage per annum of such investor's invested commitments (as such term is defined in the Fund Agreement of Credit III Fund).

LTE Fund

Each LTE Fund investor pays the Adviser and/or its affiliate a Management Fee equal to the sum of (i) during the investment period only, a fixed percentage per annum of such investor's unfunded commitment, and (ii) at all times, a fixed percentage per annum of the most recent "gross asset value" (as defined in the Fund Agreement) of such investor's proportionate share of all assets attributable to the LTE Fund.

LTE Co-Invest Funds

Each LTE Co-Invest Fund investor pays the Adviser and/or its affiliate a Management Fee equal to either a fixed percentage per annum of i) the most recent "gross asset value" (as defined in the applicable Fund Agreement) of such investor's proportionate share of all assets attributable to the LTE Co-Invest or ii) such investor's invested commitments (as defined in the applicable Fund Agreement).

Equity II Fund

Each Equity II Fund investor pays the Adviser and/or its affiliate a Management Fee equal to an annual fixed percentage of such investor's committed capital which will, upon certain events, be modified to a percentage of such investor's Net Equity Invested (as such term is defined in the Fund Agreement of Equity II Fund).

With respect to Credit I Fund, Credit II Fund, Credit III, Equity II Fund, and the LTE Fund, if the investor's commitment to the Fund meets the threshold specified in the Governing

Documents (each such investor, a “**Significant Investor**”), then such Significant Investor is entitled to pay a lower fixed percentage *per annum* of the amount described in the applicable preceding paragraph(s), as described in the Governing Documents.

The Management Fee generally is reduced in the manner designated in the Fund’s Governing Documents, including in exchange for a reduction in the General Partners’ aggregate cash capital contribution and a corresponding interest in Fund profits. The Management Fee for each Fund is payable quarterly in advance. Installments of the Management Fee payable for any period other than a full three-month period generally are adjusted on a *pro rata* basis according to the actual number of days in such period. In addition, Management Fees will generally be payable during term extensions unless otherwise agreed with investors. To the extent provided in a Fund’s Governing Documents, a Fund may offset and reduce amounts otherwise distributable to an investor in order to pay the Management Fee to the Adviser (or an affiliate thereof).

Certain of the client’s Governing Documents provide that the Management Fees will be calculated on a basis that generally is not tied to the client’s then-current net asset value. As further described in the applicable Governing Documents, from the effective date of the relevant client until a date specified in the Governing Documents (the “**Stepdown Date**”), Management Fees generally will be calculated based on a formula tied to the amount of the relevant Fund’s aggregate capital commitments. After the Stepdown Date, Management Fees generally will be charged and calculated based on a formula tied to the amount of investment contributions (including, where applicable, a Fund borrowing component) made by the relevant client relating to the Fund’s aggregate investment(s) in any investments that have not been completely disposed of or completely written off for U.S. federal income tax purposes (such written off investments, “**Impaired Value Investments**”).

Others of the client’s Governing Documents provide that the Management Fees generally will be charged and calculated based on a formula tied to the amount of investment contributions made by the relevant client that have not been disposed of, repaid or recouped or completely written off for U.S. federal income tax purposes, plus the aggregate amount of any unrecouped bridge financing contributions as described further in the client’s Governing Documents, throughout the life of the Fund. The Governing Documents do not require Management Fees to be reduced or refunded following the occurrence of a writedown, decrease (including a significant decrease) in fair value or other event not constituting a complete realization such as a partial sale, reorganization, roll-over investment in connection with a sale or dividend distribution, except in the case of investments that have been completely disposed of or investments meeting the relevant Impaired Value Investment standard under the Governing Documents.

As a result, the amount of Management Fees generally will not correspond with fluctuations in the net asset value of individual investments or of a Fund, including following the Stepdown Date where applicable, and will not be reduced in connection with any write downs, except in the case of investments that have been completely disposed of or Impaired Value Investments. Except where the Governing Documents expressly provide to the contrary, Management Fees will not be reduced (in whole or in part) in the case of partial distributions or partial sales of investments, reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, in each case in circumstances that do not result in the complete disposition of the relevant Fund’s interest therein, and even in cases where the value of the Fund’s

investment or the Fund's ownership percentage in such investment has been reduced (including substantially reduced) as a result of such transaction.

In many circumstances, the post-Stepdown Date Management Fee base will include capitalized transaction-specific expenses of unrealized investments. Further, Management Fees generally will not be reimbursed or refunded under the Governing Documents in the event of realizations, dispositions or write-downs or write-offs that occur partway through the relevant calculation period.

SMA's

The Adviser generally charges the SMA's a Management Fee equal to an annual fixed percentage of the relevant investors' committed capital or the most recent gross asset value of the asset attributable to the relevant SMA's investment in such asset. The carried interest and Management Fees of each SMA are more fully described in the applicable Governing Documents of each SMA, and certain SMA's are not subject to a Management Fee or carried interest. The Management Fees for SMA's are generally payable in advance on a quarterly basis, pro rata for partial periods. Management Fees paid by the SMA's are not offset or reduced by Supplemental Fees or similar fees received by the Adviser with respect to the SMA's' investments.

Supplemental Fees

To the extent specified in the Funds' Governing Documents, the Adviser or another Ohana entity will be permitted to receive certain supplemental fees and other amounts ("**Supplemental Fees**") generally consisting of: (i) directors' fees, financial consulting fees or advisory fees paid to the General Partners with respect to any Fund portfolio investment; (ii) transaction fees paid to the General Partners with respect to any Fund portfolio investment; and (iii) break-up fees with respect to Fund transactions not completed that are paid to the General Partners, in each case net of certain expenses (including all unreimbursed costs and expenses incurred by the General Partners in connection with any consummated or unconsummated transaction or in connection with generating any such Supplemental Fees, and those expenses set forth below) as set forth in the Governing Documents; but not including, in any event, any amount received by the General Partners, the Adviser, the Real Estate Services Group or other person from an investment (A) as reimbursement for expenses directly related to such investment (or prospective investment), (B) as payment for services provided to any investment in the ordinary course of such investment's business or as otherwise permitted in the relevant Governing Documents, (C) as compensation for services provided by the General Partners or other person as an employee of or in a similar capacity for such investment, including by the Real Estate Services Group (as defined below) or a member thereof for services to, such investment or (D) as compensation for services provided by the Adviser, the Real Estate Services Group or a member thereof, or other person with respect to the services described under Real Estate Services Group and Real Estate Services below and in the relevant Governing Documents. A Fund's Governing Documents generally will provide that Supplemental Fees received by Ohana and attributable to the Fund's investment in a portfolio investment (and investors not designated as "affiliated partners" by the General Partner) will be credited against Management Fees otherwise owed to the Adviser and/or its affiliates in a specified percentage (e.g., 100%). The remaining amount of such Supplemental Fees will be retained by Ohana.

Various costs and expenses will reduce the foregoing fees (and therefore such amounts will not reduce the Management Fee), including out-of-pocket costs and expenses (including travel expenses) incurred by the General Partners in connection with any consummated or unconsummated transaction or in connection with generating any such fees. To the extent that such an offset credit would reduce the Management Fee for the relevant period below zero, the credit will be carried forward for future application against payable Management Fees and if a credit remains upon liquidation, a payment will be made crediting investors unless an investor has elected to waive such amount.

As a matter of practice, the Adviser is typically paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors in an investment, as well as other fees relating to the structuring and administration of co-investment arrangements. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to its allocable portion on a fully-diluted basis of any such fee and not the portion of any fee that relates to (i) General Partner or affiliated partner commitments, (ii) co-investors or potential co-investors (which could include co-investment vehicles managed by the Adviser, service providers, third parties, current or former portfolio investment management or personnel, sellers that have rolled their interest or reinvested proceeds in the portfolio investment and/or others) or (iii) the value of profits, participation or equity interests in or relating to the relevant portfolio investment, including interests owned by current or former portfolio investment management, which have the potential to be significant. Supplemental Fee offsets generally are performed on a net basis, after giving effect to certain taxes and other expenses in connection with the receipt of such fees or the provision of related services, and to the extent Supplemental Fees are paid in kind (including through securities, option grants or other interests), the Adviser is permitted to calculate the amount of offset based on the then-current value of the in-kind payment, rather than the ultimate value of the interests as of a future date. Unless otherwise agreed with investors, Supplemental Fees generally will be payable even if Management Fees are reduced or eliminated, including during term extensions, thus reducing the amounts of Management Fees actually offset. Supplemental Fees will be offset only to the extent they are paid during the holding period of the relevant Fund, and investors generally will not receive the benefit of Supplemental Fees paid prior to the Fund's acquisition, or following the Fund's disposition, of the relevant investment. Similarly, to the extent a former Adviser employee becomes a consultant to, or employed by, a portfolio investment (which may be at a reduced rate), no compensation earned by such former employee will offset the Management Fee, whether or not such former employee has a remaining interest in the relevant Fund's General Partner or affiliated entity unless otherwise set forth in the applicable Governing Documents. Conversely, in the event that Adviser employs a person that previously received compensation from a portfolio investment, limited partners will receive the benefit of any applicable offset only beginning as of the relevant start date of the person's employment with Adviser, and not with respect to any compensation paid prior to such date, including equity grants made prior to the date of employment that vest thereafter. Additionally, as further described below and in the applicable Governing Documents of each Fund, it is the Advisers' practice to use or retain the Real Estate Services Group or other persons to provide Real Estate Services (as defined below) to (or with respect to) certain portfolio investments in which one or more Funds invest. The Real Estate Services Group members generally receive compensation and other amounts described herein from the relevant portfolio investments or Funds to which they provide services, but no such amounts will offset or reduce the Management Fee.

For the avoidance of doubt, the Adviser also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio investments. Each of the foregoing conditions is expected to reduce the amount of Supplemental Fees otherwise available to be offset against Management Fees, resulting in a potential material benefit to the Adviser over the life of the relevant Fund, and the existence of such potential benefit creates an incentive for the Adviser to seek to increase such amounts.

Certain Governing Documents permit the Adviser to waive or agree to reduce the Management Fee. Certain waived portions of the Management Fee are treated by the Governing Documents as a deemed capital contribution by the relevant General Partner, which is effectively invested in the relevant Fund on such General Partner's behalf and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to the Fund. Fund investors would, in such circumstances, be required to make a *pro rata* contribution according to their respective commitments to fund any contribution that would otherwise be required of the Adviser in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration (or delay) of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by the Adviser and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will be delayed.

Carried Interest

The General Partners and/or their affiliates also generally receive a carried interest equal to a specified percentage of investment proceeds subject to a preferred return. The carried interest and Management Fee are more fully described in the applicable Governing Documents. It is expected that any future Funds will have similar compensation structures.

In addition to the carried interest, the LTE General Partner is entitled to an annual cumulative priority distribution (the “**Incentive Distribution**”) after each annual audit of the LTE Fund and certain LTE Co-Invest Funds, equal to a specified percentage of the aggregate amount of earnings before interest, taxes, depreciation, and amortization (“**EBITDA**”) generated by all LTE Fund, certain LTE Co-Invest Fund and certain SMA investments during the year to which such audit relates, as more fully described in the Funds’ and/or SMA Governing Documents.

Other Information

The Adviser is permitted to exempt certain “affiliated partner” investors and other investors in the Funds from payment of all or a portion of the Management Fee and/or carried interest, including the Adviser and any other person designated by the Adviser, such as investors with a professional or personal relationship with the Adviser or its personnel, or other investors meeting certain qualification requirements based on commitment size or other strategic or relationship factors. The relevant General Partner reserves the right to make any such exemption from Management Fees and/or carried interest by a direct exemption, a rebate by the Advisers and/or their affiliates, or through other Funds which co-invest with a Fund. For example, in instances where a professional of the Adviser (or an affiliated entity thereof) invests in a Fund, such

professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and/or carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant Governing Documents, certain General Partners have the right to permit investors, affiliated with the General Partner or otherwise, to invest through the relevant General Partners or other vehicles that do not bear Management Fees and/or carried interest. In general, the Management Fee offsets described above apply only with respect to the capital commitments of fee-paying investors. The General Partner retains flexibility to structure its compensation from investors and expects in certain circumstances to agree to invoice an investor directly for Management Fees or other compensation, rather than deducting such amounts from the investor's capital account(s).

The Funds generally invest on a long-term basis. Accordingly, Management Fees and other fees are expected to be paid, except as otherwise described in the Governing Documents, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other current or former personnel of the Advisers generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by the Advisers and/or their affiliates.

In addition to the Management Fee and carried interest payable to the Adviser and/or its affiliate, each Fund bears certain expenses. As set forth in the Governing Documents, a Fund bears all fees, costs, expenses, liabilities and obligations relating to the Fund's (and its subsidiaries' and intermediate entities') activities, investments and business to the extent not reimbursed by a portfolio investment or applied to reduce Management Fees, including all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to the origination, identification and sourcing of investment opportunities for the Fund, including attending and sponsoring industry conferences and events, meeting with consultants, finders, broker-dealers, investment banks and other sources of investments and developing and maintaining an investment pipeline; (ii) activities with respect to the pursuing, developing (including costs and expenses of tenant and capital improvement) structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to any periodicals, databases or research services), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, leasing, servicing, taking public or private, selling, valuing, winding up, liquidating, dissolving or otherwise disposing of, as applicable, the Fund's portfolio investments or actual and potential investments (including follow-on investments) and in connection with any joint ventures and any real estate investment trust ("**REIT**") subsidiaries (including costs attributable to qualifying any REIT subsidiary as a REIT and maintaining such qualification) or an U.S. Employee Retirement Income Security Act of 1974 ("**ERISA**") operating company (including costs attributable to structuring the Fund to qualify or preserve the ability to qualify), or structuring any acquisition financing or other transaction with respect to any such person to qualify or preserve the ability to qualify, as an ERISA operating company and maintain such qualification or in seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not such activities were

undertaken prior to the initial closing date of the Fund; (iii) indebtedness of, or guarantees made by, a Fund, the Adviser, the General Partner or any “affiliated partner” on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including the repayment of principal and interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iv) financing, commitment, origination and similar fees and expenses; (v) broker (including real estate broker), dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker and similar services (including buy- and sell-side finders’ fees as well as similar deal sourcing payments); (vi) brokerage, sale, custodial, depository (including a depository appointed pursuant to the European Union (“EU”) Alternative Investment Fund Managers Directive (the “AIFMD”) or any similar law, rule or regulation), Swiss representative and paying agent (pursuant to the Swiss Collective Investment Schemes Act (as amended) and the implementation thereof), trustee, record keeping, account and similar services; (vii) reporting, filings and other ongoing compliance requirements contemplated by the AIFMD, CISA and/or FINSA or any similar law, rule or regulation (excluding, for the avoidance of doubt, the initial and/or preliminary registrations, filings and compliance obligations related thereto), including secondary legislation, regulations, rules and/or associated guidance, and any related requirements, the EU Sustainable Finance Disclosure Regulation and/or the EU Taxonomy Regulation (as required); (viii) legal, accounting, research, auditing, technology administration (including fees and expenses associated with the Fund’s third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services (including costs and expenses associated with any third-party valuation firm appointed in respect of a Fund or any other appraiser or valuation expert)), real estate title, survey, hedging, consulting (including (A) consulting and retainer fees, salary and benefits and personnel costs and other compensation paid to the Real Estate Services Group (as defined below) or any of its members or other consultants, (B) consultants performing investment initiatives or providing services related to environmental, social and governance investment considerations and policies, and (C) other similar consultants), expert network, tax and other professional services, including Real Estate Services as described below (including costs related to the establishment or maintenance of any such activities or services); (ix) reverse breakup, termination and other similar fees, property management, development, construction, environmental, leasing, brokerage and real estate fees and commissions; (x) insurance, including directors and officers liability, fidelity bond, cybersecurity, errors and omissions liability, crime coverage, property and casualty and general partnership liability premiums and other insurance (including costs related to any retention or deductibles and broker costs and commissions) and any consultants or other advisors utilized in the procurement, review, maintenance and analysis of insurance; (xi) filing, title, transfer, survey registration and other similar fees and expenses; (xii) printing, communications, marketing and publicity; (xiii) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K 1s or similar forms or other communications with investors, or any other administrative, compliance or regulatory filings or reports (including AIFMD, CISA, FINSA, Form PF and Bureau of Economic Analysis reports), or other information, including costs of any third-party service providers and professionals related to the foregoing; (xiv) compliance with any tax or financial account reporting regime, including Foreign Account Reporting Rules, including any fees and costs of any third-party service providers and professionals related to the foregoing; (xv) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, investor

reporting, ledger systems, financial management and cybersecurity) or other administrative or reporting tools (including subscription-based services) for the benefit of the Fund, the portfolio investments or the investors; (xvi) any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information (including any costs incurred in connection with the EU Data Protection Law or FOIA); (xvii) to the extent provided in the Fund Agreement, or otherwise approved by the General Partner in its sole discretion, activities or proceedings of the advisory board (including any reasonable out-of-pocket costs and expenses incurred by representatives of the General Partner, the advisory board members, permitted observers and other persons in attending or otherwise participating in meetings of the advisory board); (xviii) indemnification (including legal fees and any other fees, costs and expenses incurred in connection with indemnifying any partner or other person pursuant to the Fund Agreement or otherwise and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Fund Agreement), except as otherwise set forth in the Fund Agreement; (xix) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs of discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xx) any annual, periodic or special meeting investor meeting or webcast or other video conference with any investors (in each case, including any costs associated with venue, set-up, room and board, dining, entertainment, gifts and mementos, honorarium, events or speakers and other meeting or conference-related costs), in each case to the extent incurred by the Fund, the General Partner or any other affiliate of the General Partner; (xxi) except as otherwise determined by the General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio investments or actual or potential investments (to the extent not borne or reimbursed by a portfolio investment of such alternative investment vehicle) that would be a Fund expense or organizational expense if it were incurred in connection with the Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to a Fund to the extent not paid by the investors investing in such entities; (xxii) the termination, liquidation, winding up or dissolution of a Fund and any persons owned directly or indirectly by a Fund (including portfolio investments) and related entities; (xxiii) any structuring or restructuring of any alternative investment vehicle, portfolio investment or portfolio investment of any alternative investment vehicle, including in connection with a General partner-led secondary transaction; (xxiv) defaults by partners in the payment of any capital contributions; (xxv) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, the General Partner, any entities owned directly or indirectly by a Fund (including portfolio investments) and any alternative investment vehicle of the Fund, including the preparation, distribution and implementation thereof; (xxvi) compliance with any law, regulation, policy, directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money laundering, sanctions or anti-terrorism considerations), including any legal, administrator, consulting or other third-party service provider costs related thereto, any related to the activities of a Fund (including regulatory expenses of the General Partner or any of its affiliates incurred in connection with the operation of the Fund, legal fees and expenses, and any costs and expenses related to compliance with any environmental, social or governance or other investor considerations and policies applicable to the Fund, the General Partner and/or any of their respective affiliates, and/or the validation or other confirmation of any payments made to a Fund or the General Partner (including as a result of any anti-money

laundering laws, rules or regulations)); (xxvii) any litigation or governmental inquiry, investigation or proceeding, including any costs of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the relevant Fund Agreement; (xxviii) any consultants, experts or advisors engaged, including independent appraisers engaged in connection with a Fund considering, making, holding or disposing of, directly or indirectly, an investment in the same person as, or transferring an investment from or to, one or more investment vehicles (other than the Fund) managed or controlled by the General Partner or any of its affiliates; (xix) unreimbursed costs incurred in connection with any transfer or proposed transfer or any limited partner's name change, internal restructuring or change in trust, registered agent or custodian; (xxx) any taxes, fees and other governmental charges levied against a Fund and all costs incurred in connection with any tax audit, inquiry, investigation settlement or review of the Fund (except to the extent that such Fund is reimbursed therefor by a reimbursing partner) and any costs of or related to the "partnership representative" and/or the "designated individual" of a Fund; (xxxi) distributions to the partners and other expenses associated with the acquisition, holding and disposition of a Fund's investments, including extraordinary expenses; (xxxii) unreimbursed expenses and unpaid fees of the Real Estate Services Group or its members, personnel or other persons engaged by the Real Estate Services Group; (xxxiii) including compliance with the relevant Fund Agreement and/or any Side Letter or similar agreement (including any "most favored nations" process); (xxxiv) any travel (including air travel, car or ride sharing services, other modes of transportation, meals, lodging and entertainment) and other meals and entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxv) the negotiation and preparation of any Side Letters or similar agreements; (xxxvi) all costs and expenses associated with operating a Feeder Fund which invests all or substantially all of its assets in the relevant Fund to the extent not paid by investors in such Feeder Fund, including all expenses associated with its formation, management, operation, winding-up, liquidation and dissolution and with preparing and distributing such Feeder Fund's financial statements, tax returns and Feeder Fund limited partner reports, but not including any income based or similar taxes, fees or other governmental charges levied against such Feeder Fund; (xxxvii) any of the items listed above relating to any investment, restructuring, taking public or private, disposition, transaction, project or other opportunity not consummated or otherwise not successful and/or that may have been offered to co-investors or joint venture partners (including co-investors' or joint venture partners' proportionate share of any expenses related to an investment or other opportunity not consummated ("**Broken-Deal Expenses**")); and (xxxviii) any other fees, costs, expenses, liabilities or obligations approved by the advisory board. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or similar expenses (and/or Supplemental Fees) are expected to be charged to portfolio investments, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio investment. Except where the relevant Governing Documents or Side Letter(s) provide to the contrary, Broken Deal Expenses and other expenses relating to the diligence or evaluation of a prospective investment generally are allocated among investors within a Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them

from participating in the investment. The Funds also bear expenses indirectly to the extent a portfolio investment (or intermediate entity) pays expenses, including expenses of the Adviser and/or its affiliates; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio investment management and other persons) is expected to depend upon the level at which such expenses are charged or incurred. To the extent holding or intermediate entities include one or more special purpose acquisition companies (“SPACs”), the relevant Fund(s) will bear the costs of organizing and offering such SPACs, as well as the amount and dilutive effect of any founders’ equity or similar interests issued thereby that are not held directly or indirectly by the relevant Fund, and except where prohibited by the Governing Documents, such interests are permitted to be issued to the Adviser and its personnel.

The Adviser and the General Partners generally bear the ordinary administrative and overhead expenses incurred in connection with maintaining and operating the offices of the Adviser and the General Partners, excluding, for the evidence of doubt, the costs and expenses of the Real Estate Services Group and costs associated with the Real Estate Services (each as defined below). Each Fund also generally will bear the costs of implementing, reporting (as applicable) monitoring and complying with investment guidelines and directives relating to the Funds’ strategy, including in Side Letters relating thereto, and (where applicable) environmental, social, governance (ESG) and other standards to which the relevant General Partner has committed in marketing investments on behalf of the Fund. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio investments and intermediate holding vehicles through which the Fund invests. As is typical for private real estate funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in “Brokerage Practices.” The SMAs are expected to bear expenses similar to those set forth above.

In certain circumstances, one Fund is expected to pay an expense or obligation common to multiple Funds and/or co-investors (including, without limitation, legal expenses for a transaction in which all such Funds and/or co-investors participate, or other fees or expenses in connection with services the benefit of which are received by other Funds and/or co-investors over time), and be reimbursed by the other Funds for their share of such expenses or obligations, without interest. While the Adviser believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, the Adviser, the relevant General Partner or an affiliate thereof is expected to advance amounts related to the foregoing and receive reimbursement from the Funds, without interest, to which such expenses relate.

As described above, in certain circumstances, the Adviser is expected to permit certain investors to co-invest in portfolio investments alongside one or more Funds, subject to Adviser’s related policies and practices and the relevant Governing Documents and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgement of the General Partner, ultimately is not consummated, all Broken

Deal Expenses relating to such unconsummated transaction will be borne by the Fund(s), and not by any prospective co-investors, that were to have participated in such transaction. To the extent that such co-investors have already executed definitive documentation to invest in such transaction through a Fund or other vehicle managed by the Adviser or its affiliates, such co-investor is expected to bear its *pro rata* share of such Broken Deal Expenses. The Advisers' practice of allocating Broken Deal Expenses among investing Funds is discussed under "Conflicts of Interest," below.

The Adviser and/or its affiliate generally have discretion over whether to charge transaction fees, monitoring fees or other compensation to a portfolio investment and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio investment's holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and the Adviser and/or its affiliate on the other hand.

Real Estate Services Group and Real Estate Services

To the extent described in the applicable Governing Documents of a Fund, the General Partners and/or portfolio investments are permitted to retain other companies and individuals, including operating professionals employed or retained by affiliates of the Adviser (including Ohana Realty Corp., a residential brokerage firm, and Ohana Real Estate Services LLC, a hospitality-focused real estate development and management firm, each controlled or managed by the Principal) or the Adviser (including the Adviser or its personnel to the extent that they are used to provide hotel asset management or operational management services, development, sales, marketing and residential brokerage services and/or administrative services (including accounting, financial or other similar services)) (the "**Real Estate Services Group**"), to provide services with respect to Fund investments and/or the Fund (including hotel asset management or operational management, development, sales, marketing and residential brokerage services and/or administrative services (including accounting, financial and other similar services)) ("**RE Group Services**"). The Real Estate Services Group is expected to utilize Adviser resources (e.g., hotel asset management, finance, accounting and administration), personnel of such affiliates, joint ventures, entities held by other funds managed by such General Partners or their affiliates, consultants, "operating partners," "strategic partners," "executive partners" or "senior advisors." The Real Estate Services Group generally would be engaged to provide services that otherwise would be provided by third parties to, or in connection with, a Fund or its affiliates or one or more portfolio investments (or prospective portfolio investments) in relation to the identification, due diligence acquisition, holding, improvement and disposition of such investments, including the RE Group Services described above.

As described in the applicable Governing Documents, fees and expenses associated with the RE Group Services (including certain RE Group Services provided by the Adviser to the Real Estate Services Group) generally will be paid and/or reimbursed by a Fund portfolio investment or prospective portfolio investment and/or a Fund. Fees and expenses generally are expected, at the discretion of the Adviser taking into account the particular Services, to include a profits, participation or equity interest in a portfolio investment, or holding company incentive equity and stock awards, profits or equity interests in one or more Funds, portfolio investments or holding

companies or General Partners, remuneration from the Adviser and/or its Funds or affiliates, guaranteed minimums or other incentive-based compensation to the Real Estate Services Group, which is determined according to one or more methods including the value of the time (including an allocation for overhead and other fixed costs) of the Real Estate Services Group, a percentage of the value of the a portfolio investment, the invested capital exposed to such a portfolio investment, amounts believed to be charged by other providers for comparable services and/or a percentage of cash flows from such a portfolio investment. Compensation in the form of profits or equity interests in a portfolio investment or intermediate holding company generally has a dilutive impact on the Fund's investment, and has the potential to result in economic effects greater than the original amount of compensation, and the relevant Fund typically will bear the costs of all Real Estate Services Group compensation as well as fees, costs and expenses of structuring Real Estate Services Group arrangements. The Real Estate Services Group's fees, other compensation and expenses are not covered by a Fund's Management Fee and will not otherwise offset or reduce any Management Fee.

For certain Funds, the Advisers or their affiliates are also authorized to provide any or all of the Property Services or Support Services (each, as defined below) to the Funds or a portfolio investment that would otherwise be performed for the Funds or such investment by third parties on terms that are determined by the Advisers to be fair and reasonable to the Funds or such investment. The Advisers or their affiliates will receive fees for providing Property Services. The Advisers or their affiliates will not receive a separate fee for providing Support Services, but it is intended that the Funds will reimburse the Advisers and their affiliates for any overhead expense (including rent, utilities, office maintenance, office supplies and hardware, storage, human resources and benefits administration, technology and software costs) and employee compensation costs (including salary, bonus, deferred compensation, salary overhead, payroll administration and charges and other personnel costs) that the Advisers determines are applicable to such Support Service. **"Property Services"** means all property services, including property management, property management oversight, construction management, asset management, development consulting, development oversight, design, debt placement, brokerage, sales agent, transaction support services and any such services provided by an in-house general contractor to the extent attributed to or allocated by the General Partner, the Adviser or their respective affiliates to the Funds and/or any portfolio investment. **"Support Services"** means accounting, financial, reporting, fund administration, tax, internal audit, legal, technology-related services, marketing, corporate services (including revenue management processes, accounting, treasury, financial and reporting) and any other services. No such amounts offset or otherwise reduce the Funds' Management Fees. Property Services and Support Services potentially will be provided by the Real Estate Services Group.

The use of the Real Estate Services Group, Property Services and Support Services, subjects the Adviser to conflicts of interest, as discussed under "Conflicts of Interest," below.

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

As described under "Fees and Compensation," the Adviser and/or its affiliates generally receive a carried interest allocation on certain realized profits in the relevant Funds and/or SMAs. The Adviser does not advise Funds or SMAs not subject to a carried interest, although it generally has the authority to waive carried interest with respect to certain affiliated partners as described

under “Fees and Compensation.” Additionally, to the extent that the Adviser has Funds or SMAs with varying carried interest terms (including amount, timing, waterfall conditions or other terms) and/or its personnel are assigned varying percentages of carried interest from the Funds and/or SMAs, the Adviser and such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage. The Adviser seeks to address the potential for conflicts of interest in these matters with allocation policies that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund’s investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance- based compensation received by the Adviser or any personnel.

The existence of performance-based compensation has the potential to create an incentive for the Adviser to operate the relevant Fund in a riskier, more speculative or other manner that is less favorable to investors than they would otherwise make in the absence of such arrangement, although the Advisers generally consider performance-based compensation to better align their interests with those of their investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund’s life or at certain interim intervals.

ITEM 7 - TYPES OF CLIENTS

The Advisers provide investment advice solely to their Fund and SMA high net-worth individual clients, and references throughout this Brochure to “clients” and to the Advisers’ related duties to and practices on behalf of their clients and/or investors should be construed accordingly. The Funds may include investment partnerships or other investment entities formed under U.S. or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and often include, directly or indirectly, Principals or other personnel of the Advisers and their affiliates and members of their families, or other service providers retained by the Advisers or a Fund, as well as executives of portfolio investments.

The relevant General Partner also generally is permitted to establish Funds that are alternative investment vehicles in order to permit certain investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the Governing Documents of the related Fund.

The Funds generally have a minimum investment amount ranging from \$10 – \$25 million for third-party investors, and Fund interests generally are offered and sold to qualified purchasers (or qualified knowledgeable personnel of the Advisers). The Adviser generally is permitted to waive such minimum investment amount.

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

General

The Adviser (together with the General Partners) is a private investment firm focused on investments in the hospitality and residential sectors, consisting primarily of real estate, real estate-related equity and debt securities, and other investments in mezzanine debt, preferred equity, and other similar security investments in the real estate industry. The Adviser's investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments and capital structure, managing and monitoring investments and achieving dispositions for investments. Investments are primarily in real estate and debt securities of existing properties within the hotel, lodging, residential and related real estate space. The Adviser generally seeks to invest in quality properties in high barrier markets where capital is scarce and the Adviser believes it can leverage its expertise in hotel operations, investment underwriting and development capabilities to create value.

There can be no assurance that the Adviser will achieve the investment objectives of any Fund and a loss of investment is possible.

Investment and Operating Strategy

The Adviser identifies potential investments through an extensive network of relationships and a robust property information database. The Adviser's due diligence process follows a consistent and disciplined investment evaluation process for potential investments, which pass through multiple screenings. After an investment has been made, the Adviser monitors performance of both direct investments and collateral properties and engages in active dialogue with borrowers, to the extent necessary, to identify and address potential issues.

The Adviser undertakes a comprehensive and rigorous analytical approach to evaluating new investments with the ability to leverage its teams and/or affiliates in hotel asset management or operational management, development, sales, marketing residential brokerage, finance, administration and other services.¹

The Adviser seeks to capitalize on dislocation in the capital markets by pursuing a mix of equity, debt, mezzanine loans, preferred equity, and other similar securities relating to hospitality, lodging, housing, residential and other related real estate and related investments that are high quality and capable of providing attractive risk-adjusted yields and price points. For equity investments, the Adviser targets high barrier hotels with meaningful value-add opportunities, attractive in-place yields, discounts to replacement cost and distressed hotels or loans on distressed hotels with potential path to ownership. The Equity Funds focus on equity investments primarily in hotels, resorts, lodging, membership clubs, and other hospitality assets or businesses or other related real estate assets or businesses, and companies owning, operating or otherwise related to such assets or businesses, but also is permitted to make debt investments in select situations with a potential path to ownership, as further described in the Governing Documents. For credit investments through the Credit Funds, the Adviser targets investments primarily in assets that meet

¹ Fees and expenses related to RE Group Services, Property Services or Support Services are permitted to be paid by the Funds and/or portfolio investments, and are not covered by the Funds' Management Fees and do not otherwise reduce such Management Fees, as discussed herein.

certain leverage criteria capable of providing a more senior position in the capital stack with an attractive equity cushion in front of the Adviser's investment. Drawing on a deep knowledge and experience in hotel operating, development and sales, the Adviser's team seeks to identify and structure attractive investment opportunities.

The Adviser seeks to leverage its extensive experience in hotel operations, investment underwriting and development capabilities to fully underwrite the performance capability of each property being considered for investment, whether it is expected to take an equity or debt position in the property. In addition, the Adviser seeks to leverage its capital markets and document-negotiation experience to assess the opportunity and challenges associated with the potential investment. The Adviser generally engages relationships across its industry network to assess and evaluate the risks associated with the investment, including, but not limited to the risk of pre-payment or default and to assess potential business plans in the event of a foreclosure. The Adviser seeks to evaluate investment opportunities in the hotel and residential real estate space through active involvement in asset managing existing properties, regular engagement in the capital markets, a long-tenured role on the board of directors of a luxury hotel management company and active development and construction management of multiple large-scale and complex projects.

Risks of Investment

Each Fund and its investors bear the risk of loss that the Advisers' investment strategy entails. The risks involved with the Advisers' investment strategy and an investment in a Fund include, but are not limited to the risks below. The SMAs are subject to similar risks, and as noted above, references to "Funds" below should be read to include the SMAs as the context so requires.

Real Estate Risks. Because the Funds invest in debt and equity interests related to hotels, resorts, lodging and other hospitality assets or businesses or other related real estate assets or businesses, and companies owning, operating or otherwise related to such assets or businesses, in each case, located primarily in North America, the Funds will be subject to risks related to real estate generally. These include the risks incident to the ownership and operation of real estate and real estate-related businesses and assets, including changes in the general economic climate, local, national or international conditions (such as an oversupply of space or a reduction in demand for space), the quality and philosophy of management, competition, attractiveness and location of the properties and changes in the relative popularity of property types and locations, changes in the financial condition of buyers and sellers of properties, changes in operating costs and expenses, changes in taxes, changes in energy pricing, risks due to dependence on cash flows, uninsured losses or delays from casualties or condemnation, changes in applicable laws, government regulations (including those governing usage, improvement and zoning) and fiscal policies, the availability of financing, interest rate levels, environmental liabilities, contingent liabilities, risks and operations problems arising from construction problems or similar liabilities, successor liability for investments in existing entities (e.g., buying out a distressed partner or acquiring an interest in an entity that owns a real property), acts of God, acts of war (declared or undeclared), terrorist acts, work stoppages, shortages of labor, strikes, union relations and contracts, fluctuating prices and supply of labor and/or other labor-related factors and other factors beyond the control of the Adviser, the Funds and their respective affiliates.

Economic Conditions. The real estate industry generally and the success of the Funds' investment activities in particular will both be affected by general economic and market conditions in the United States and other countries, as well as by changes in applicable laws, trade barriers, currency exchange controls, and national and international political and socioeconomic circumstances in respect of the countries in which a Fund is permitted to invest. These factors may affect the level and volatility of prices and liquidity of the Fund's investments, which could impair the Fund's profitability and result in losses. General fluctuations in the market prices of investments and economic conditions generally may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments. Further, any material changes in the economic environment, including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates, could have a negative impact on the performance and/or valuation of a Fund's investments. The Funds' performance can be affected by deterioration in public markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011. Such adverse effects may include the requirement of the Funds to pay break-up, termination or other fees and expenses in the event the Funds are not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Funds to dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect the Funds' ability to raise funding to support its investment objective and the level of profitability achieved on realizations of investments. In addition, general fluctuations in the market prices of investments and interest rates may affect the Funds' investment opportunities and the value of the Funds' investments.

Lack of Sufficient Investment Opportunities; Restrictions Imposed by Contractual Requirements. The business of identifying, structuring and completing private real estate transactions relating to hotels, resorts, lodging and other hospitality assets or businesses, and real estate investments, is highly competitive and involves a high degree of uncertainty. There can be no assurance that a Fund will be able to locate and complete investments which satisfy the Fund's risk profile and rate of return objective or in the opinion of the relevant General Partner realize their values, or that it will ever be fully invested if enough sufficiently attractive investments are not identified. Further, the investments sought by a Fund may require investors, including the relevant Fund and the Adviser, to meet certain financial requirements, such as having a minimum amount of assets under management, and there can be no assurances that the Fund will qualify as an investor in each investment that the Adviser believes is suitable for the Fund. If a Fund does not qualify for such investment, the Fund may be required to forego such investment opportunity. Whether or not sufficient investment opportunities are identified, Fund investors will be required to bear Management Fees and other expenses as set forth in the applicable Governing Documents.

The business of the Funds is highly competitive. Competition may cause a Fund to accept economic or structural features in its investments that such Fund would not have otherwise accepted and it may cause the Fund to search for investments in markets outside of the Adviser's traditional investment expertise. A Fund will compete with traditional investors, as well as existing funds, or funds formed in the future, with similar investment objectives. A Fund will face competition from other companies, funds, real estate investment trusts and other entities engaged in the acquisition of real estate and other real estate-related businesses with similar investment objectives, which may make it more difficult for the Fund to consummate its target investments.

Dynamic Investment Strategy. While the General Partner generally intends to seek attractive returns for the Funds primarily through making enhanced value-add equity and equity-related investments in North American-focused real estate and real estate-related assets as described herein, the General Partner reserves the right to pursue additional investment strategies and modify or depart from its initial investment strategy, investment process, and investment techniques as it determines appropriate. The General Partner reserves the right to pursue investments outside of the sectors or regions in which the Principals have previously made investments.

Need for Follow-On Investments; Reserves. Following its initial investment in any investment, a Fund and/or other equity or debt investors in the properties in which the Fund invests is permitted to decide to invest additional funds in such investment or consider the opportunity to increase their respective investments in such investment by investing in additional real estate assets related thereto (whether for opportunistic reasons, to fund the needs of the investment, as an equity cure under applicable debt documents or for other reasons). There is no assurance that such Fund or such other persons will make such additional investments or that the Fund or such persons will have sufficient funds to make all or any of such investments (including an event of default under applicable debt documents in the event an equity cure cannot be made). Any decision by a Fund or such persons not to make follow-on investments or their inability to make such investments may have a substantial negative effect on a particular real estate asset in need of such an investment and the Fund's financial performance or result in the dilution of the relevant Fund's ownership in a portfolio investment if a third party or co-investor is permitted to invest.

In managing the Funds, the Adviser is permitted to establish reserves for such follow-on investments, operating expenses (including Management Fees payable to the Adviser), Fund liabilities, and other matters. Estimating the amount necessary for such reserves is difficult, particularly because follow-on investment opportunities are directly tied to the success and capital needs of a Fund's investments. Inadequate or excessive reserves could have a material adverse effect upon the investment returns to the investors. If reserves are inadequate, a Fund will be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or other punitive terms associated with "pay to play" or similar provisions. If reserves are excessive, a Fund potentially will decline attractive investment opportunities or hold relatively more capital in money market or similar low-yield accounts.

Hotel Risks. The Funds invest in hospitality properties and/or other types of hospitality-related investments. Such investments are subject to a number of business, financial, and operating risks inherent to the lodging and hospitality industry, including: significant competition from multiple hospitality providers in all parts of the world; changes in operating costs, including energy, food, compensation, benefits, and insurance; delays in or cancellations of planned or future development or refurbishment projects, which in many cases may not be within the Adviser's control or the Funds' control; war, civil unrest, terrorist activities or threats and heightened travel security measures instituted in response to these events; fear of outbreaks or outbreaks of pandemic or contagious diseases; changes in desirability of geographic regions of the hotels, resorts or other properties constituting the business of the Funds, geographic concentration of the Funds' operations and customers, and shortages of desirable locations for development; the financial condition of the airline, automotive and other transportations-related industries and its impact on travel; decreased airline capacities and routes; organized labor activities, which could cause a

diversion of business from hotels involved in labor negotiations and loss of group business for hotels generally as a result of certain labor tactics; changes in the supply and demand for hotel services (including rooms, food and beverage, and other products and services) and vacation ownership services and products; the ability of third-party internet and other travel intermediaries to attract and retain customers; and decreases that may result in the frequency of business travel as a result of alternatives to in-person meetings, including virtual meetings hosted online or over private teleconferencing networks. Any of these factors could increase the Funds' costs, limit or reduce the demand for such Fund properties, reduce a target property's ability to repay principal and interest with respect to any debt investment by a Fund, or otherwise affect a Fund's ability to maintain existing properties or develop new properties. As a result, any of these factors could adversely affect a Fund's financial results and investment performance.

Hospitality properties are subject to certain operating risks. For example, if a property's occupancy or room rates drop to the point where its revenues are insufficient to cover its operating expenses, then additional funds, including reserves, will need to be expended to cover such property's operating expenses. Hospitality properties are continually subject to increases in real estate and other tax rates, wages and benefits, utility costs, insurance costs, repairs and maintenance and administrative expenses, all of which may adversely affect such property's cash flows. More so than other property types, hospitality properties, and in particular hospitality properties, generally must make renovations and other capital improvements in order to stay competitive, including replacements of furniture, fixtures and equipment, particularly if the hotel is a branded hotel. This obligation is subject to the risks that cash flow from operations and reserves may be inadequate to fund capital improvements, financing for these capital improvements may not be available to a Fund's properties on affordable terms and market demand for a hotel following the undertaking or completion of capital improvements will not exist or will continue to be diminished. Consequently, the costs of these capital improvements could negatively impact the financial condition of such Fund's investments and in turn the amount of cash available for distribution to the Fund's investors. Certain hotels that Funds acquire will be managed by third-party hotel management companies pursuant to management agreements. Under the terms of these management agreements, the third-party hotel managers control the daily operations of the hotels and generally are compensated with a base fee tied to revenues generated from operations and in many cases, an incentive fee based on achieving specific performance thresholds. Accordingly, the hotel's business and operating results depend in large part upon the performance of these hotel management companies under their management agreements. While the Funds will seek to invest in hotel properties and put quality management in place, there is no guarantee that the third-party management company for any given hotel property will meet the performance objectives desired by the Funds.

Hospitality Industry Volatility. The hospitality industry is volatile in nature. The periods during which a Fund's lodging properties experience higher revenues vary from property to property, depending principally upon location and the customer base served. In addition, the hospitality industry can be cyclical and demand generally follows, on a lagged basis, the general economy. The volatility and cyclical nature of the Fund's industry may contribute to fluctuations in a Funds' results of operations and financial condition.

Investments in Real Estate Debt. The Funds hold direct or indirect investments in real estate-related debt instruments. In addition to the risks of borrower default (including loss of

principal and nonpayment of interest) and the risks associated with real estate investments generally, real-estate related debt investments are subject to a variety of risks, including the risks of illiquidity, lack of control, mismanagement or decline in value of collateral, contested foreclosures, bankruptcy of the debtor, claims for lender liability, violations of usury laws and the imposition of common law or statutory restrictions on the exercise of contractual remedies for defaults of such investments. Purchases of participations in real estate loans raise substantially the same risks as investments in real estate loans. Debt investments have special inherent risks relative to collateral value. In the event of default, the source of repayment is limited to the value of the collateral and may be subordinate to other lien holders (and the collateral value of the property may be less than the outstanding amount of a Fund's investment).

Non-Performing Loans; Foreclosure Process. Debt investments (including real estate loans) by a Fund may be at the time of their acquisition, or may become after origination, participation or acquisition, non-performing for a wide variety of reasons, many of which are outside the control of the Adviser, the Funds or their affiliates. Non-performing real estate loans 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 loans. To the extent that a Fund purchases partial interests in non-performing loans, the Funds may not have control over the workout process or the management of the real estate assets after such a workout.

The Adviser may find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased or originated by a Fund. The foreclosure process varies jurisdiction by jurisdiction and can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan, including lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action. In some states and non-United States countries, foreclosure actions can take up to several years or more to conclude. At any time during the foreclosure proceedings, the borrower may file for bankruptcy, 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.

B-Notes Investments. The Funds are authorized to invest in one or more B-Notes. A "B-Note" is a commercial mortgage loan typically (i) secured by a first mortgage on a single large property or group of related properties and (ii) subordinated to an "A-Note" secured by the same first mortgage on the same collateral. As a result, if a borrower defaults, there may not be sufficient funds remaining for the holder of the B-Note. B-Notes do not have any secondary market, raising additional liquidity risks. However, since each B-Note is privately negotiated, B-Notes can vary in their structural characteristics and risks, including, for example, the rights of the holder of the B-Note to control the process following a borrower default. Furthermore, since they are typically secured by a single property, B-Notes reflect the risks associated with significant concentration.

Leverage. The Funds are permitted to make use of leverage by incurring (or having a portfolio investment or intermediate entity incur) debt to finance all or portion of certain investments, whether on a temporary or long-term basis, including in respect of companies not rated by credit agencies. As security for such borrowing or guarantees, a Fund is authorized to

guarantee a portfolio investment's debt and/or grant liens on any of the relevant Fund's assets to the lender or other counterparty, which assets may not necessarily be limited to a single portfolio investment. Such lender or other counterparty would, accordingly, have a claim that has priority over any claim by a limited partner to such assets in an insolvency event or proceeding. It is not expected that a Fund would be compensated for providing such guarantee or exposure to such liability. Co-investors are expected to receive the benefit of such guarantee, although as co-investors typically do not agree to participate in guaranty arrangements in negotiating to participate in a transaction, co-investors are not expected to bear a commensurate percentage of potential liability. Additionally, a Fund expects to borrow through a subscription-based credit facility (e.g., "subscription line"), which poses additional risks and potential conflicts of interest as further described below. A Fund also reserves the right to have a portfolio investment incur leverage through the use of the relevant Fund's subscription line or otherwise to finance operations and/or add-on investments. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by a Fund will also result in interest expense and other costs to a Fund that may not be covered by distributions made to the relevant Fund or appreciation of its investments. The use of leverage often imposes restrictive financial and operating covenants on an investment, in addition to the burden of debt service, and potentially will constrain and impair its ability to operate as desired and/or finance future operations and capital needs. In addition, the leveraged capital structure of portfolio investments will increase the exposure of a Fund's investments to any deterioration in an investment's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of a Fund's investments in the leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio investment's creditworthiness is such that it must borrow at higher interest rates than are available to a Fund. In the event any portfolio investment cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio investment as well as any guaranteed amounts, which could adversely affect the returns of the relevant Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio investment, the relevant Fund may not achieve returns consistent with its forecasts. Moreover, certain entities in which the Funds will invest generally will not be rated by a credit rating agency. Except where otherwise required by the Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio investment, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio investment. If a portfolio investment is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal amount of financial leverage, a Fund may hold a larger than expected equity investment in such portfolio investment and may realize lower than expected returns from the portfolio investment that would adversely affect the relevant Fund's ability to generate attractive investment returns for the Funds as a whole. Any failure by lenders to provide previously committed financing could also expose a Fund to potential claims by sellers of investments which a Fund may have been contracted to purchase.

A Fund is also permitted to borrow money or guaranty indebtedness (such as a guaranty of an entity's debt, a letter of credit or other forms of promise to provide funding, in any case, subject

to certain limitations in the Governing Documents). While Fund-level borrowings generally will be subject to limitations set forth in the Governing Documents and interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding. A Fund expects to periodically incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other investment funds and entities managed by a General Partner or any of its affiliates, including through Fund subsidiaries and other intermediate entities, and will potentially have a right of contribution, subrogation or reimbursement from or against such entities. However, it is possible that, if and when a Fund were to seek to enforce any such right, any such entity could default on its obligation and/or such right may otherwise be unenforceable. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that a Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Fund incurs leverage (or provides such guarantees), such amounts are permitted to be secured by commitments made by the relevant Fund's investors and such investors' contributions may be required to be made directly to one or more lenders instead of the Fund. The amount of leverage which a Fund may utilize at any time may be large in relation to its capital. Finally, leverage may include so-called "balloon" payments at maturity if leverage is not fully amortized by maturity and such "balloon" payments may be difficult or even impossible to refinance on attractive terms, thus potentially magnifying losses in respect of leveraged investments.

Subscription Lines, Asset-Backed Facilities and Fund-Level Borrowing. As indicated above, a Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations, including the acquisition, financing or refinancing of a Fund's investments, as well as to consolidate or make less frequent capital calls to limited partners. Fund-level borrowing subjects investors to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the General Partner's right to call capital from the limited partners. Limited partners may be obligated to contribute capital on an accelerated basis if a Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against a Fund would likely be subordinate to a Fund's obligations to a subscription line's creditors.

With respect to any asset-backed facility entered into by a Fund (or an affiliate thereof), a decrease in the market value of the relative Fund's investments would increase the effective amount of leverage and could result in the possibility of a violation of certain financial covenants pursuant to which the Fund must either repay the borrowed funds to the lender, which would, subject to any limitations set forth in the relevant Governing Documents require investors to make additional capital contributions in respect of such borrowings, or suffer foreclosure or forced liquidation of the pledged assets. Liquidation of a Fund's investments at an inopportune time in order to satisfy such financial covenants could adversely impact the performance of the relevant Fund and could, if the value of its investments had declined significantly, cause the relevant Fund to lose all or a substantial amount of its capital. Moreover, if additional capital contributions were required to satisfy such financial covenants, this would effectively reduce the amount of capital available for other investments and potentially adversely affect the diversification of a Fund's portfolio. In the event of a sudden, precipitous drop in the value of a Fund's assets, a Fund might not be able to dispose of assets quickly enough to pay off its debt resulting in a foreclosure or other total loss of some or all of the pledged assets.

In addition, Fund-level borrowing will result in additional partnership or other investment vehicle expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line and other one-time and recurring fees and/or expenses, including amendment fees, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility (and any amendments or renegotiation thereof), as well as expenses relating to maintaining, renegotiating, amending or terminating the facility. Because a subscription line's interest rate is typically based in part on the creditworthiness of the limited partners and the terms of the relevant Governing Documents, it may be higher than the interest rate an investor could obtain individually.

To the extent a particular limited partner's cost of capital is lower than a Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases a Fund's reported net returns in certain methods of calculation. Calculations of performance in respect of a Fund as used in marketing and reported to limited partners from time to time are generally based on the payment date of capital contributions received from limited partners and not the date of an investment by the relevant Fund. This treatment also applies in instances where a Fund utilizes borrowings under the relevant Fund's subscription line in advance of receiving capital contributions from limited partners to repay any such borrowings and related interest expense. Conflicts of interest have the potential to arise in that the use of a subscription line or similar borrowing or guarantees generally will result in a higher reported performance than if the facility had not been utilized and instead such limited partners' capital had been contributed at or prior to the inception of an investment, thereby resulting in benefits to the relevant General Partner and its affiliates such as increasing the likelihood that the preferred return component of the Fund's carried interest arrangement will be met. A portfolio investment financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because Management Fees are incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return typically does not accrue on outstanding borrowings, the relevant General Partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of the investment period, and cause or defer a related change in the basis of a Fund's Management Fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more other investment funds and entities managed by the relevant General Partner or any of its affiliates that is co-investing alongside the relevant Fund), as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the Fund nor limited partners generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the investors or impose additional obligations on them. Certain lenders or facilities are expected to impose restrictions on a General Partner's ability to acquire or dispose of assets or businesses, incur additional indebtedness, make expenditures, distributions or capital calls, create liens on assets; enter into leases, investments or acquisitions, consent to transfers of interests in a Fund, make amendments to the Governing Documents of a Fund, or engage in certain transactions with affiliates, and otherwise restrict activities of a Fund without the consent of the lenders. Such restrictions could affect the implementation of a Fund's investment strategy. In addition, in order to secure a subscription line, a General Partner may request certain financial information and other documentation from limited partners to share with lenders. A General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more investors. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio investment or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the relevant Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio investment or Fund subsidiary.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. To the extent provided in the Governing Documents, any such borrowing may remain outstanding for such time as a General Partner deems appropriate, potentially including through disposition of such investment, and the interest expense and other costs of any such borrowings will be Fund expenses that may decrease net returns of the relevant Fund. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the General Partner called smaller amounts of capital incrementally over time as needed by the relevant Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. A General Partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse the General Partner for expenses incurred on behalf of the relevant Fund. A Fund is also permitted to utilize Fund-level borrowing when the relevant General Partner expects to repay the amount outstanding through means other than investor capital, including as a bridge for equity or debt capital with respect to an investment. If a Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

For purposes of distributions by a Fund, subject to the Governing Documents, limited partners would not receive a preferred return accrual on the amount invested by the relevant Fund until such time as capital may be called from limited partners in respect of the investment.

If an investment appreciates in value and is disposed of prior to repayment of the borrowing, a General Partner reserves the right to apply disposition proceeds to repay the borrowing and related interest and expenses, the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual

on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for a General Partner, as reduced by the interest incurred by the relevant Fund. If an investment acquired with proceeds of such borrowing loses value, limited partners may be subject to capital calls to fund that loss as a partnership expense by repaying the credit facility, including related interest and expenses. Subject to any limitations in the Governing Documents, this scenario potentially incentivizes a General Partner to permanently fund the acquisition and ongoing capital needs of the relevant Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

Investment- and Intermediate Entity-Level Borrowing. Under the Governing Documents, each Fund is authorized to incur indebtedness that is secured by any assets of the Fund (e.g., asset-based borrowing, as well as "back leverage" and net asset value (NAV) facilities), and is permitted directly or indirectly through one or more intermediate entities (e.g., special purpose vehicles) to incur indebtedness, including to borrow money from any person, to make guarantees or provide other credit support to any person or to incur any other obligation (including other extensions of credit). Indebtedness is permitted to be incurred for any purpose relating to the activities of the Fund, including without limitation to: finance any investment-related activities of the Fund; increase the buying power of the Fund; provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for Fund expenses or fund the payment of Management Fees; make, hold or dispose of investments; provide financing or refinancing; fund the payment of amounts to withdrawing limited partners; fund distributions to the partners; and/or provide collateral to secure outstanding letters of credit or to create reserves, in each case in accordance with the Governing Documents. Additionally, a Fund is expected to enter into letters of credit in support of one or more of its investments, including for the purpose of such Fund agreeing to fund additional equity financing or capital expenditures into a portfolio investment (regardless of who the beneficiary to such letter of credit may be) at a certain time or upon the occurrence of a certain event. Although in many cases the Governing Documents impose limits on borrowings at the Fund level, portfolio investments and intermediate entities generally do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments.

Possibility of Fraud or Other Misconduct of Personnel and Service Providers. Misconduct by personnel of the Adviser, service providers to the Funds and/or their respective affiliates could cause significant losses to the Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, unauthorized misappropriation of funds, the improper use or disclosure of confidential information, and other matters which could result in litigation or serious financial harm, including limiting the Funds' business prospects or future marketing activities, and non-compliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption, and/or financial losses to the Fund. No assurances can be given that the Adviser will be able to identify or prevent such misconduct.

Mezzanine Investments. The properties in which the Funds invest may be highly leveraged, thereby increasing the degree of credit risk inherent in each investment. Leverage often imposes restrictive financial and operating covenants on a company or property, in addition to the burden of debt service, and potentially will constrain its ability to finance future operations and capital needs or to pay principal and interest on the Funds' investments when due. The leveraged capital structure of Fund properties will increase the exposure of the Funds' investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio investment's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. A Fund's investments in such properties may be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured and bear floating interest rates. In the event any property cannot generate adequate cash flow to meet debt service, such Fund may suffer a partial or total loss of capital invested in the property, which could adversely affect the returns of the Fund. Furthermore, the entities and investments in which the Funds will invest generally will not be rated by a credit rating agency. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio investment, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio investment.

The mezzanine and junior debt investments of the Funds typically will be subordinated to the senior obligations of an issuer, either contractually (in the case of debt securities) or because of the nature of the security (in the case of preferred stock or common stock). In addition, many of the remedies available to subordinated holders are available only after satisfaction of claims of senior creditors. Any such subordinated investments may be characterized by greater credit risks than those associated with the senior obligations of the same issuer. Adverse changes in the financial condition of an issuer or in general economic conditions (or both) may impair the ability of this issuer to make payments on the subordinated securities and result in defaults on and declines in the value of these securities more quickly than in the case of the senior obligations of such issuer.

Mortgage Investments. The Funds are permitted to originate, participate in and/or acquire real estate loans that are non-recourse to the borrower. Mortgage investments have special inherent risks relative to collateral value. To the extent a Fund makes or acquires subordinated or "mezzanine" debt investments, a Fund does not anticipate having absolute control over the underlying collateral as such Fund will be dependent upon third party borrowers and agents and will have rights that are subordinate to those of senior lenders. In certain circumstances, a Fund's loans may not be secured by a mortgage, but instead by such other collateral that may provide weaker rights than a mortgage. In an event of default, a Fund's source of repayment will be limited to the value of the collateral and may be subordinate to other lienholders. The collateral value of the property may be less than the outstanding amount of a Fund's investment.

Debt Investments. The debt securities in which the Funds invest typically will be either secured by a borrower's ownership interests in a property or unsecured, and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. The ability of the Funds to influence the affairs of an investment, especially during periods of financial distress or following an insolvency is likely to be substantially less than that of senior

creditors. For example, under terms of subordination agreements, senior creditors are typically able to block the acceleration of the mezzanine debt or other exercises by a Fund of its rights as a creditor. Accordingly, the Funds may not be able to take the steps necessary to protect its investments in a timely manner or at all. In addition, the debt securities in which the Funds will invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity and generally will not be rated by a credit rating agency. Debt securities are also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a “fraudulent conveyance” under relevant creditors’ rights laws, (ii) so-called lender liability claims by the issuer of the obligations and (iii) environmental liabilities that may arise with respect to collateral securing the obligations. Additionally, adverse credit events with respect to any investment, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership, or distressed exchange, can significantly diminish the value of any such Fund investments. Fund investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by a Fund earlier than expected. In addition, depending on fluctuations of the equity markets, warrants and other equity securities may become worthless. Accordingly, there can be no assurance that a Fund’s internal net rate of return objective will be realized.

Lower Credit Quality Investments. There generally are limited or no restrictions on the credit quality of the investments of the Funds. The Funds have the ability to invest in investments that may have substantial vulnerability to default in payment of interest and/or principal. Investments purchased by a Fund generally will not be rated by rating agencies, and, if rated, may have the lowest quality ratings provided by such rating agencies. Lower rated and unrated investments have large uncertainties or major risk exposures to adverse conditions. Generally, such investments offer a higher return potential than higher rated investments but involve greater volatility of price and greater risk of loss of income and principal. The market values of certain of these investments (such as subordinated investments) also tend to be more sensitive to changes in economic conditions than higher rated investments. Declining real estate values in particular will increase the risk of loss upon default, and may lead to a downgrading of the investments by the rating agencies, if rated. The value of such investments may also be affected by changes in the market’s perception of the entity issuing or guaranteeing them, or by changes in government regulations and tax policies.

Redevelopment and Construction or Renovation Risks. A Fund’s investments are authorized to include acquisition of debt or equity interests in underdeveloped real property (which in certain cases is expected to be non-income producing) and/or real estate redevelopments. To the extent that a Fund invests in such assets or activities, it will be subject to the risks normally associated with such assets and redevelopment activities, including, without limitation, the cost and timely completion of construction, the possibility of redevelopment cost overruns and delays due to various factors (including inclement weather, labor or material shortages, the unavailability of construction and permanent financing and timely receipt of zoning and other regulatory approvals), the availability of both construction and permanent financing on favorable terms and market or site deterioration after the redevelopment decision being made. These risks could result in substantial unanticipated delays and/or expenses and, under certain circumstances, could prevent completion of development activities once undertaken. Any unanticipated delays or expenses could have an adverse effect on the results of operations and financial condition of a

Fund. If a Fund makes an investment in a property which subsequently becomes subject to redevelopment, such investment may receive little or no cash flow from the date of commencement of redevelopment through the date of completion of redevelopment and may continue to experience operating deficits after the date of completion. In addition, market conditions may change during the course of redevelopment that make such redevelopment less attractive than at the time it was commenced. In addition, the assumptions or information (including comparables and similar market data) on which the relevant General Partner based its decision to proceed with redevelopment activities may prove to be unreliable, which could affect the performance of a partially or entirely redeveloped investment.

In addition, newly developed or newly renovated properties do not have the operating history that would allow the managers of the properties to make objective pricing decisions in acquiring those properties. The purchase prices of those properties will be based upon projections as to the expected operating results of such properties, subjecting such properties and the Funds to risks that such properties may not achieve anticipated operating results or may not achieve such results within anticipated time frames. Investments in new development activities could be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud with respect to any property in a Fund, such property and, consequently, the Fund, may suffer a partial or total loss of capital invested in that investment.

Competition with Other Hotel Properties. The Funds will face significant competition from other developers, owners and operators of hotel properties in the same markets and may be in competition with other properties owned or managed by the Adviser for its own account or for other client accounts. When a Fund that has made an equity investment in a property, seeks to sell such property, it will compete with other owners of hotel properties.

Non-controlling Investments. The Equity Funds could, and the Credit Funds are expected to, hold debt obligations and other non-controlling interests in real estate investments and, therefore, will have a limited ability to protect such investments. However, the Adviser will seek appropriate creditor and/or shareholder rights to help protect any such Fund's interest.

Risks of Derivatives. The Funds are permitted to utilize derivative instruments and techniques to hedge interest rate and currency risk to which such Funds are subject. In addition to the general risks involved in any hedging activities, engaging in derivative transactions is subject to specific risks. The prices of all derivative instruments, including options and swaps, are highly volatile. Price movements of options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of options and swap agreements also depends upon the price of the securities or other instruments underlying them. In addition, a Fund will also be subject to the risk of the failure of any of the exchanges on which it trades derivative instruments or of their clearinghouses.

Counterparty Risks in Derivative Transactions. The Funds are permitted to effect hedging or other derivative transactions "over-the-counter" or in "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of exchange-based markets. This exposes such Funds to the risk that a counterparty will not settle

a transaction in accordance with its terms and conditions because of a dispute over the terms of the applicable contract (whether or not such dispute is bona fide) or because of a credit or liquidity problem, causing the applicable Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Fund has concentrated its transactions with a single or small group of counterparties. The Adviser has no internal credit function that evaluates the creditworthiness of a counterparty in such a transaction. Further, while the Adviser will take great care in selecting brokers or dealers who will maintain custody of certain of a Fund’s assets held as margin or other collateral for the Fund’s borrowings, there is a risk that any of such brokers or dealers may become insolvent. It is expected that all Fund assets that are deposited with such brokers or dealers will be held in such brokers’ or dealers’ “street name” and hence a Fund will be exposed to a credit risk with respect to such parties. During the global recession, several prominent financial market participants failed or nearly failed to perform their contractual obligations when due - creating a period of great uncertainty in the financial markets, government intervention in certain markets and in certain failing institutions, severe credit and liquidity contractions, early terminations of transactions and related arrangements, and suspended and failed payments and deliveries.

Currency Risk. The Funds are authorized to make investments denominated in currencies other than U.S. Dollars. Such investments will create currency exchange risks for a Fund (including the inability to repatriate currency, devaluation and non-exchangeability). Because the Funds will calculate income in U.S. Dollars, if the Funds make investments denominated in currencies other than U.S. Dollars, they may enter into one or more currency swap agreements or other derivative transactions to hedge the risks associated with exchange rate fluctuations. However, the amount and timing of distributions on investments denominated in currencies other than U.S. Dollars may not match the anticipated payments hedged by such currency swap agreements, and such mismatch would leave the Fund’s income subject to risks from exchange rate fluctuations.

Inability to Execute Business Plan. There can be no assurance that the Adviser will be able to execute the business plan for the Funds or any or all of the Funds’ investments. Unforeseen factors may arise that the Adviser is not in a position to control, which may interrupt the Adviser’s investment program and/or negatively impact returns on Fund investments. For example, opportunities to renegotiate or restructure existing, unfavorable debt with respect to a Fund investment may be limited due to the existence of conflicting priorities of property owners, lenders or other third parties. Alternatively, in the case of an investment by the Funds in a real estate-related loan or debt security, the Funds may (subject to contractual protection limiting such exposure) be subject to borrowers re-paying such mortgage debts earlier than anticipated and as such, be exposed to downside prepayment risk, which may impact the returns with respect to such an investment. Furthermore, an applicable tax regime or regulation, such as planning or zoning regulations with respect to development projects that may have made a particular Fund investment desirable upon acquisition may be subsequently varied or amended and, as a consequence, the Fund investment may no longer achieve the same returns as originally anticipated.

Distressed Investments. The Funds may invest in the debt or equity, including debt obligations that are in covenant or payment default, of properties experiencing significant financial difficulties and material operating issues, including properties that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation

processes. Investments in such properties involve a substantial degree of risk that is generally higher than the risk involved in investing in properties that are not in financial or operational distress. A wide variety of considerations, including, for example, the possibility of litigation between the participants in a reorganization or liquidation proceeding or a requirement to obtain mandatory or discretionary consents from various governmental authorities or others may affect the value of these investments. The uncertainties inherent in evaluating such investments may be increased by legal and practical considerations which limit the Adviser's access to reliable and timely information concerning material developments affecting an investment, or which cause lengthy delays in the completion of the liquidation or reorganization proceedings. Given the heightened difficulty of the financial analysis required to evaluate distressed properties, there can be no assurance that the Adviser will correctly evaluate the value of the assets of a distressed property securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such property. Therefore, in the event that a portfolio property does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, the relevant Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which such Fund invested.

Hedging Arrangements; Related Regulations. Each General Partners is authorized (but not obligated) to endeavor to manage the relevant Fund's or any relevant portfolio investment's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. A Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for the relevant General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the "CFTC") or other regulator, or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio investment to hedge its exposures becomes limited by such requirements.

Prepayments. The yield on any Fund asset, and accordingly the overall return generated by the Fund, will be affected by the rate and timing of principal payments of such assets. The rate and timing of these principal payments, or in the case of principal losses, principal or notional write-downs, will be affected by, among other factors, (i) unscheduled principal payments or collections in the form of voluntary prepayments of principal or unscheduled recoveries of principal due to defaults, and (ii) the order of priority in which such principal and collections are distributed in reduction of the actual or notional principal balance of the assets.

Future and Past Performance. The performance of prior investments managed by certain of the Adviser's investment professionals (including the Principal) is not necessarily indicative of the Funds' future results. While the Advisers intend for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted return will be achieved. On any given investment, loss of principal is possible. Additionally, changes to estimates or projections used to assess the fair value of a Fund's assets, or operating results that are lower than a Fund's current estimates at certain locations, may cause the Fund to incur impairment charges that could adversely affect the Fund's results of operations.

Concentration of Investments. The Funds will participate in a limited number of investments and intend to make most of their investments in North America with a focus on real estate investments in the lodging and hospitality industries. Such investments may occur within a short period of time and/or in particular geographic regions of North America. As a result, a Fund's investment portfolio could become highly concentrated, and its returns may be affected substantially by the performance of a few holdings, a particular geographic region or the hospitality and/or lodging industries in general. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer real estate and real estate-related assets and thus be less diversified, and the expenses borne by limited partners will be proportionately higher, reducing returns.

In addition, in those transactions for which the relevant General Partner intends to refinance all or a portion of the capital invested, there will be a risk that such refinancing may not be able to be completed, which could lead to increased risk as a result of a Fund having an unintended long-term investment as to a portion of the amount invested, thus further reducing diversification.

A Fund is authorized to provide bridge financing to facilitate investments. It is possible that all or a portion of a bridge financing will not be recouped within the time period specified in the Fund Agreement, in which case the investment would be treated as a permanent investment of the Fund, except as otherwise set forth in the Governing Documents. As a result, the Fund's investment portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under the investment limitations set forth in the relevant Fund Agreement.

Similarly, in those transactions for which a General Partner intends to refinance all or a portion of the capital invested, there will be a risk that such refinancing may not be able to be completed, which could lead to increased risk as a result of the relevant Fund having an unintended long-term investment as to a portion of the amount invested, thus further reducing diversification.

Illiquidity; Lack of Current Distributions. Real estate investments are relatively illiquid and some are highly illiquid. Such illiquidity is likely to limit the Funds' ability to vary its portfolio of investments in response to changes in economic and other conditions. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. Illiquidity may result from the absence of an established market for investments as well as the legal or contractual restrictions on their resale. In addition, illiquidity may result from the decline in value of a property comprising one of a Fund's investments. There can be no assurances that the fair market value of any property held by a Fund will not decrease in the future, leaving the Fund's investment relatively illiquid. The return of

capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While a Fund reserves the right to sell an investment at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (and the Management Fee payable to the Adviser (or an affiliate thereof)) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded commitments.

Non-U.S. Investments. The Funds are permitted to invest in non-U.S. jurisdictions, in non-U.S. currencies and/or through entities formed outside the U.S. These investments involve special risks not usually associated with investing in U.S. investments, entities, the U.S. federal government or U.S. state or local governments due to, among other things, potentially unsettled points of applicable governing law, capital repatriation regulations (as such regulations may be given effect during the term of the Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Funds and/or the partners with respect to the Funds' income, and possible non-U.S. tax return filing requirements for the Fund and/or the partners. Because investments in non-U.S. investments may involve non-U.S. Dollar currencies and because a Fund may incur obligations or temporarily hold funds in such currencies, a Fund may be affected favorably or unfavorably by changes in currency rates (including as a result of the devaluation of a foreign currency) or in exchange control regulations and may incur transaction costs in connection with conversions between various currencies. It may also be substantially more difficult to effect hedging transactions in foreign markets than it is typically in the United States.

In addition, because non-U.S. investments and entities are not subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to U.S. investments and entities, there may be different types of, and lower quality, information available about a non-U.S. investment or entity than a U.S. investment or entity. With respect to certain countries, there may be the possibility of expropriation or confiscatory taxation; withholding taxes imposed by such countries which may reduce the income realized, or gross sale or disposition proceeds received, by a Fund from sources within such countries; political, economic or social instability; changes in governmental administration or economic monetary policy; limitation on the removal of funds or other assets or the repatriation of taxes on interest, capital gain or other income; import duties or other protectionist measures; credit controls; and greater risks of nationalization or diplomatic developments that could adversely affect the Fund's investments in those countries. The value of a Fund's investments may be affected by inflation, interest rates, taxation, commodity prices and other political and economic developments in or affecting non-U.S. countries. While the Adviser intends to manage the Funds in a manner to reduce the exposure to such risks, there can be no assurance that adverse political or economic developments will not cause the Funds to suffer a loss.

Limited Transferability of Fund Interests. There will be no public market for Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the Governing Documents and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for Fund investments, and hence, most of the Fund's investments will be difficult to value. Certain investments may be distributed in kind to the investors and it may be difficult to liquidate such investments at a price or within a time period desired by such investors. After a distribution of an investment is made to the investors, many investors may decide to liquidate such investment within a short period of time, which could have an adverse impact on the price of such investment. The price at which such investment may be sold by such investors may be lower than the value of such investment determined pursuant to the Governing Documents, including the value used to determine the amount of carried interest available to the Adviser with respect to such investment.

Reliance on Fund Management. The Funds will be dependent on the Adviser. Control over the operation of the Funds will be vested with the Adviser, and the Funds' future profitability will depend largely upon the business and investment acumen of the Principal and the investment professionals of the Adviser. The loss or reduction of service of the Principal or other investment professionals of the Adviser could have an adverse effect on the Funds' ability to realize their investment objectives. In addition, the Principal and other investment professionals of the Adviser currently manages, and may in the future manage, other investment vehicles besides the current Funds and may need to devote substantial amounts of time to the investment activities of such other funds. Similarly, certain directors, officers or personnel of the Adviser, including the Principal, are expected to provide certain consulting, hotel asset management, board of director, or operational management, development, sales, marketing and residential brokerage services and/or administrative services (including accounting, financial and other similar services) to certain entities affiliated with the Adviser, including the Real Estate Services Group, with respect to real estate assets that are unrelated to the Funds' investments. Such present and potential future obligations of the Principal and other persons may pose conflicts of interest in the allocation of the time of the Principal and such other persons. Investors generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of the Funds will depend on the actions of the Principal and the investment professionals of the Adviser. In addition, certain changes in the Adviser or circumstances relating to the Adviser may have an adverse effect on the Funds or one or more of their assets, including potential acceleration of debt facilities. No assurance can be given that the Adviser will be successful in selecting suitable investments on behalf of the Funds or that the objectives of the Funds will be achieved.

Although the Adviser will monitor the performance of each Fund investment, in many cases it will primarily be the responsibility of each property's management and/or operations team to operate such property on a day to day basis. However, certain properties that a Fund acquires are expected to be managed by personnel or affiliates of the General Partner and/or the Adviser, including property management companies affiliated with the Adviser. Accordingly, such property's business and operating results would depend in large part upon the performance of personnel or affiliates of the General Partner and/or the Adviser. While the Adviser and its affiliates will seek to effectively manage such properties, there is no guarantee that such persons will be able to meet the performance objectives desired by the Fund.

Strategic Alliances; Third Party Co-Investment; Reliance on Third-Party Joint Venture Partners and Managers. The Funds have, and reserve the right to, co-invest through partnerships, joint ventures or other entities with one or more third parties as a co-venturer or partner, including other investment advisers, developers, sellers (or affiliates thereof) of certain investments, a person

involved in the selling or acquisition of the investment, a limited partner in the Funds or other third parties, including strategic partners. Such investments involve risks not present in investments where a third party is not involved, including the possibility that with respect to each Fund: (i) the Fund and such co-venturer may reach an impasse on a major decision that requires the approval of both parties; (ii) a co-venturer or partner of the Fund may at any time have economic or business interests or goals that are inconsistent with those of the Fund; (iii) the co-venturer or partner may encounter liquidity or insolvency issues or may become bankrupt; (iv) the co-venturer or partner may be in a position to take action contrary to the Fund's investment objective or narrow the array of potential exit strategies for the Fund; (v) the co-venturer or partner may take actions that subject the property to liabilities in excess of, or other than, those contemplated; or (vi) in certain circumstances the Fund may be liable for actions of its co-venturers or partners. The co-venturer or partner may be a joint venture partner or interest holder in another joint venture or other vehicle in which Ohana or its affiliates has an interest or otherwise controls. The co-venturer or partner also is typically entitled to receive compensation, fees and/or expense reimbursements from the relevant Fund and/or such joint ventures or investments, and in such circumstances, any such amounts will be treated as a Fund expense and will not be deemed paid to or received by the Adviser or reduce the Management Fee. While in some cases strategic partners will provide potential investment and business opportunities to a Fund and its investments, the Adviser in some cases will be required to present a broad range of investment opportunities to the joint venture rather than the relevant Fund, and such investments would be made through a joint venture or special purpose vehicle owned and managed by the Fund and such joint venture partner (at the election of the joint venture partner) rather than by the Fund directly, thereby diluting such Fund's interest in such investment opportunities. Strategic investors are also permitted to receive from the joint venture, special purpose vehicle or investment, fees and other compensation, carried interest, and expense reimbursements, related to brokerage, management, administrative or other services provided to the joint venture, special purpose vehicle or investment. To the extent the joint venture, special purpose vehicle or investment incurs fees, costs and expenses related to its management and operation, including with respect to services provided by such strategic partners, such amounts would be borne directly or indirectly by the relevant Fund. None of the foregoing fees, compensation, expense reimbursements or other amounts will result in an offset to the Management Fee. Moreover, Ohana generally receives carried interest and fees, associated with capital invested by a co-venturer or partner relating to investments in joint ventures or other ventures in which each Fund participates, and such amounts will be in addition to compensation earned from each Fund, and will not be shared with the Funds or offset or otherwise reduce the Management Fee. Such joint venture, and similar investments by the Funds create potential conflicts of interest. For example, joint venture management teams sometimes provide services that are similar to, and that may overlap with, services provided by Ohana and its personnel to the Funds, and the Funds will be required to incur additional fees and expenses related to, or incurred by, the joint venture or similar vehicle in which each Fund invests, some or all of which would not be incurred if such Funds did not invest through a joint venture. For example, the LTE Fund and Equity Fund II each have entered into a joint venture with another real estate investment adviser that will pursue investment opportunities in the same areas as the LTE Fund and Equity Fund II, and such arrangements generally contemplate the terms described above including with respect to the presentment of investment opportunities by Ohana to the joint venture, fees, carried interest and expense reimbursements paid to Ohana and the joint venture partner by the Fund and/or joint venture (without reduction of the Management Fee). Additionally, the Adviser expects certain

service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships and the timing of services these persons have the potential to have information advantages relative to other investors or co-investors, and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors. Based on the foregoing factors, limited partners should not expect service providers to the Adviser or any Fund to provide services that will be the most beneficial to any limited partner. Such joint venture is also subject to the related risks and conflicts of interest as described above.

In addition, the Funds reserve the right to co-invest with non-affiliated co-investors or partners whose ability to influence the affairs of the investments in which the Funds invest may be significant, and even greater than that of the Funds and as such, the Funds may be required to rely upon the abilities and management expertise of such co-venturer or partner. It may also be more difficult for the Funds to sell their interests in any joint venture, partnership or entity with other owners than to sell its interest in other types of investments (and any such investment may be subject to a buy-sell right). The Funds in certain circumstances are expected to grant co-venturers or partners approval rights with respect to major decisions concerning the management and disposition of the investment, which would increase the risk of deadlocks or unanticipated exits from an investment. A deadlock could delay the execution of the business plan for the investment or require the Funds to engage in a buy-sell of the venture with the co-venturer or partner or conduct the forced sale of such investment or require alternative dispute resolution in order to resolve such deadlock. As a result of these risks, the Funds may be unable to fully realize their expected return on any such investment. Further, to the extent that the Funds offer any co-investment opportunity to any Fund investors or third parties, some or all of the risks described above have the potential to apply to such co-investments.

Further, the Funds will likely rely on third parties (some of which may also become co-investment partners with the Funds) to act as brokers or joint venture partners in connection with the acquisition, renovation or management of its investments. This reliance on third-party joint venture partners has the potential to increase the costs to the Funds through the payment of incentive fees, Management Fees and other amounts and may increase the risks to the Funds if, and to the extent, such a joint venture partner fails or is unable to comply with agreed-upon plans, budgets or timetables.

While strategic alliances, third-party co-investments, joint ventures and similar arrangements give rise to potential conflicts of interest including as discussed above, the Adviser believes that such arrangements have the potential to provide potential benefits to the Funds based on a joint venture partner's co-venturer's or co-investor's knowledge of a particular geographic region, industry or investment; experience or relationships; capital and financing capabilities, including the ability to pursue larger investments and/or to reduce Fund exposure to a portfolio investment; and/or services to the venture and/or underlying investment.

Additionally, if the Funds are unable to maintain good relationships with third-party hotel owners and renew or enter into new management and franchise agreements, the Funds may be unable to expand their presence and its business, financial condition, and results of operations may suffer. The Funds' business is subject to real estate investment risks for third-party owners which could adversely affect the Funds' operational results and their prospects for growth. Additionally,

the Funds are exposed to the risks resulting from significant investments in owned and leased real estate, which could increase costs, reduce profits and limit each Fund's ability to respond to market conditions and sharing control in joint venture projects limits each Fund's ability to manage third-party risks associated with these projects.

Limited Operating History. There can be no assurance that the Funds' investments will achieve results similar to those attained by previous investments of the Adviser and/or its affiliates. In addition, the Funds' investments are expected to differ from previous investments made by the Adviser in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular investment, investments within a particular region or sector, amount of leverage used, structure and holding period.

Projections. Any projected performance for the Funds' investments normally will be based primarily on financial projections. In all cases, projections are only estimates of future results that are based upon information relating to investments and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Controlling Person Liability. The exercise of control over an entity can impose additional risks of liability for environmental damage, failure to supervise management, violation of government regulations (including securities laws) or other types of liability in which the limited liability characteristic of business ownership may be ignored. If these liabilities were to arise, a Fund might suffer a significant loss.

Return of Distributions. If a Funds is otherwise unable to meet its obligations, the investors may, under applicable law, be obligated to return, with interest, cash distributions previously received by them to the extent such distributions are deemed to constitute a return of their capital contributions or are deemed to have been wrongfully paid to them. In addition, an investor may be liable under applicable federal and state bankruptcy laws to return a distribution made during a Fund's insolvency.

In connection with the disposition of any investment, a Fund may be required to make representations about such investment. A Fund also may be required to indemnify the purchaser of such investment to the extent that any such representations are inaccurate or as a result of any statutorily imposed liability for construction defects. These circumstances may result in the incurrence of contingent liabilities for which the Adviser may establish reserves or escrow accounts. However, these reserves or accounts (if any) may be insufficient to cover such liabilities and/or such liabilities may be uninsurable (or not economically insurable) or may be subject to insurance coverage limitations. Subject to any limitations in the Governing Documents, the Adviser may require each investor (including any former investor) to return distributions made to such investor for the purpose of meeting such investor's share of Fund obligations (including any indemnification obligations) or liabilities, including those arising from the operation, sale or disposition of any investment. Furthermore, under the Delaware Revised Uniform Limited Partnership Act, each investor that receives a distribution in violation of such act will, under certain circumstances, be obligated to recontribute such distribution to the relevant Fund.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, virus, diseases or pandemics or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire investments, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio investments to execute their respective operations and to receive an attractive multiple of earnings upon disposition. This may slow the rate of future investments by a Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Fund's portfolio investments.

Outbreaks of Infectious or Contagious Diseases; Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have resulted in historic market disruptions, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to a Fund. The Funds invest in hospitality and/or other types of hospitality-related investments that are uniquely susceptible to the impact of a public health emergency. Decreased demand and confidence as well as increased governmental measures, particularly with respect to the entertainment, travel and tourism industries, are likely to have an outsized impact on the market for hospitality and lodging. Business and recreational travel is likely to be adversely impacted due to delays or cancellations of conferences, retreats, sporting events, concerts and other large organized gatherings, and the growing accessibility to and migration towards alternatives for in-person meetings, including virtual meetings hosted online or via private teleconferencing networks.

Such public health emergencies could result in significant adverse impacts on the Funds. The extent of the impact of any such emergency depends on many factors, all of which are highly uncertain and cannot be predicted, which may impact Ohana's or the Funds' ability to source, diligence and execute new investments and to manage, finance and exit investments in the future, or cause significant changes or reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. Likewise, social or governmental mitigation actions may (among a wide variety of other potential effects) constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives. They also have the potential to impair the ability of the Funds' investments or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences, including the potential for defaults by borrowers under debt instruments held by a Fund. Due to the often-discretionary nature of the demand for hospitality products, and to the extent that the overall consumer income-level decreases as a result of any of the above, the Fund's investments are likely to be materially and adversely affected. In addition, the operations of the Funds, their investments, the applicable

General Partner, Ohana and their respective affiliates may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other social, political, financial, legal, regulatory and other factors related thereto, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Liquidation During Down Cycle. Because of the fixed term of the Funds, liquidation of the Funds may commence at a time when the real estate market generally, or the value of given investments, have entered a down cycle. Such adverse effects may include the requirement of the Funds to pay break-up, termination or other fees and expenses in the event a Fund is not able to close a transaction (whether due to a lender's unwillingness to provide previously committed financing or otherwise) and/or the inability of the Funds to dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments. Accordingly, a Fund may not be able to minimize losses or to realize gains to the same extent it might have been able to if a Fund were to wait indefinitely until the real estate market or the value of the given investments had rebounded from the down cycle. Even though the relevant General Partner may take this factor into consideration when determining how quickly to liquidate a particular investment following commencement of the winding up process (which process may take up to a year or longer), there can be no assurance that the real estate market or the value of any given investment will improve prior to disposition.

Increase in Market Interest Rates. If interest rates increase, so could the Funds' interest costs for new debt, including variable rate debt obligations under any credit facility or other financing. This increased cost could make the financing of any development or acquisition more costly. Rising interest rates could limit the Funds' ability to refinance existing debt when it matures or cause it to pay higher interest rates upon refinancing, which would negatively impact liquidity and profitability. In addition, an increase in interest rates could decrease the access third parties have to credit or the amount they are willing to pay for the Funds' assets.

Changes to Benchmark Rates. To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or reference rates, including the London Interbank Offered Rate ("LIBOR"), Secured Overnight Financing Rate (SOFR) or other rates (each, a "Benchmark Rate"), a Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants have transitioned historical instruments and contracts away from LIBOR to new Benchmark Rates. This transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio investments; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

Conflicting Investor Interests. Investors may have conflicting investment, tax, and other interests with respect to their investments in the Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the Adviser regarding an investment that may be more beneficial to one investor than another, especially with respect to tax matters. In structuring, acquiring, and disposing of investments, the Adviser generally will consider the investment and tax objectives of the Funds and their investors as a whole, not the investment, tax, or other objectives of any investor individually.

Environmental, Social and Governance Matters. The Adviser maintains an environmental, social, and governance (“**ESG**”) policy and seeks to integrate certain ESG factors into its investment activities in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. Applying ESG factors to investment decisions is subjective by nature, and Adviser expects to be subject to competing demands from different investors and stakeholder groups with divergent views on ESG (including the role of ESG factors in the investment process). There is no guarantee that the criteria utilized by the Adviser, or any judgment exercised by the Adviser, will reflect the beliefs, values, internal policies or preferred practices of any particular investor or other asset manager or reflect market trends. In addition, the Adviser’s ESG policy and associated ESG practices are expected to evolve over time. Although the Adviser views the integration of ESG factors to be an opportunity to potentially enhance or protect the performance of its investments over the long-term, the Adviser cannot guarantee that its ESG program will positively impact the performance of any individual investment or Fund.

The materiality of ESG factors depends on many factors, including the relevant industry, location, asset class, and investment strategy. ESG factors, issues, and considerations do not apply in every instance and will vary by Fund and investment. In addition, in evaluating an investment, the Adviser expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause the Adviser to incorrectly assess a company’s ESG practices and/or related risks and opportunities. The Adviser does not intend independently to verify all ESG information reported by investments or third parties. Further, the Adviser will have discretion to determine that it is not feasible or practical to implement or complete certain of its ESG initiatives based on cost, timing, or other considerations.

Further, ESG integration and responsible investing practices as a whole are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other real estate property managers. There is also a growing regulatory interest across jurisdictions (particularly in the UK, and the EEA, which can serve as models in growth markets) in improving transparency regarding how asset managers identify and manage financially material ESG risks, as well as how they define and measure ESG performance. At the same time, anti-ESG sentiment has also gained momentum across the U.S., with several states and Congress having proposed or enacted “anti-ESG” policies, legislation, or initiatives or issued related legal opinions. the definition, measurement and disclosure of ESG factors.

The Adviser’s ESG policy could become subject to additional regulation, regulatory scrutiny, penalties or enforcement in the future, and the Adviser cannot guarantee that its current approach will meet future regulatory requirements, reporting frameworks, or best frameworks, or

predict the manner in which any such future requirements (including any enforcement with respect thereto) could affect a Fund or its investments, including with respect to future administrative burdens and costs and increased risk of enforcement.

Weather and Climate Risk. Global climate change is widely considered to be a significant threat to the global economy. Real estate assets in particular may face risks from the physical effects of climate change. While the precise contours of these risks are unknown and will be influenced by a number of factors, including international, national, and state and local policy decisions, it is possible that they may include increased precipitation or droughts, rising sea levels, and increased severity and frequency of storms and other severe weather events. The Adviser cannot rule out the possibility that climate risks could prevent completion of investment activities or materially impair the value of investments once made, either of which could have a material adverse effect on the Funds. For example, sea level rise caused by climate change could require certain coastal assets to incur additional expenses or be damaged or rendered unusable. Further, the performance of certain real estate assets may be dependent on the local economy, which may be negatively affected by the physical effects of climate change. There can be no assurance that weather and climate patterns will be predictable throughout the term of the Funds. Accordingly, the profitability of the Funds' investments may be adversely affected by weather and climate changes, thereby potentially decreasing aggregate returns to the Funds.

Additionally, the Paris Agreement and other initiatives by international, federal, state, regional, and local policymakers and regulatory authorities as well as private actors seeking to reduce greenhouse gas emissions may expose real estate assets to so-called "transition risks" in addition to physical risks, such as: (i) political, policy, regulatory, and litigation risks (e.g., changing regulatory incentives and legal requirements, including with respect to greenhouse gas emissions or disclosures of climate risk, that could result in increased permitting, compliance, or other costs, changes in business operations, or the discontinuance of certain operations), (ii) litigation risk (e.g., litigation seeking monetary or injunctive relief related to climate impacts), (iii) technology and market risk (e.g., declining market for real estate assets seen as greenhouse gas intensive or vulnerable to climate impacts); and (iv) reputational risk (e.g., risks tied to failure to prepare assets for climate change or to changing customer or community perceptions of an asset's relative contribution to greenhouse gas emissions).

Investor Services to Fund and/or Portfolio Investments. The Adviser may be presented with opportunities to seek financing, real estate and other services in connection with a Fund's investments from certain investors or their affiliates (which may be affiliates or associates of the Adviser) that are engaged in the lending business, real estate business or other businesses. For example, an affiliate of the Principal, is expected to provide residential brokerage, sales, marketing and related services to certain Funds' and/or their portfolio investments, as described below. Such arrangements have the potential to subject the Adviser to conflicts of interest, because although the Adviser selects lending, real estate and other service providers that it believes are aligned with its operational strategies and will enhance investment performance and, relatedly, returns of the Fund, the Adviser has an incentive to pursue financing, real estate and other opportunities with certain investors because of its financial or other business interests, including an investor's historical relationship, affiliation or potential future relationship with the Adviser and Fund investments made or to be made by an investor. There are scenarios in which the Adviser, because of a belief that an investor will invest or continue to invest in one or more investment funds

managed by the Adviser or any of its affiliates, or for other reasons, may favor the retention or continuation of lending, real estate or other services from such investor even if better rates and/or quality of service could be obtained from another provider. Whether the Adviser has a relationship or receives financial or other benefit from recommending a particular investor for lending, real estate or other services, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at a lower cost.

Valuation of Investments. Generally, the Adviser will determine the value of all the related Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all Fund portfolio investments because, among other things, the securities of the portfolio investment(s) held by such Fund generally will be illiquid and not quoted on any exchange. The Adviser will determine the value of all the Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the Adviser will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of an Adviser with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by the Adviser may cause it to ineffectively manage the relevant Fund's investment portfolios and risks, and may also affect the diversification and management of such Fund's portfolio of investments.

Unfunded Pension Liabilities of Portfolio Investments. Certain court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio investment, such fund (and any other 80%-owned portfolio investments of such fund) might be found liable for certain pension liabilities of such a portfolio investment to the extent the portfolio investment is unable to satisfy such liabilities. Although the Adviser intends to manage each Fund's investments to minimize any such exposure, a Fund is permitted to invest in a portfolio investment that has unfunded pension fund liabilities, including structuring the investment in a manner where such Fund owns an 80% or greater interest in such a portfolio investment. If such Fund (or other 80%-owned portfolio investments of such Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Funds and the companies in which such Funds invest. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

LTE Fund Incentive Distributions. With respect to the LTE Fund, the Incentive Distributions have priority over, and are paid to the LTE General Partner prior to, any distributions paid to the investors, do not constitute transaction fees or any other amount that offsets or reduces the Management Fee, and are not subject to the LTE General Partner's clawback obligation under the LTE Fund's Governing Documents (which requires the LTE General Partner to restore certain distributions in excess of thresholds specified therein). As set forth more fully in the LTE Fund's Governing Documents, Incentive Distribution amounts with respect to any investment will be

calculated based on EBITDA (determined in accordance with the Uniform System of Accounts for the Lodging Industry, 11th Edition, or any subsequent editions, the “Lodging Industry Uniform System”) generated by such investment, as determined by the LTE General Partner based on information provided to it regarding the investment, subject to such adjustments as the LTE General Partner deems appropriate in its reasonable discretion. While the LTE General Partner believes it will obtain reliable EBITDA information from the management of portfolio investments, it may not independently verify or audit all EBITDA information it receives. Other industry participants may calculate EBITDA differently than the LTE General Partner (whether pursuant to the Lodging Industry Uniform System or otherwise), and such alternative calculations may result in lower EBITDA amounts, which in turn would result in lower Incentive Distributions paid by the LTE Fund. In addition, the LTE General Partner will receive an annual Incentive Distribution so long as the relevant portfolio investments collectively generate positive EBITDA for the LTE Fund as a whole, as specified in greater detail in the LTE Fund’s Governing Documents; however, positive EBITDA of portfolio investments will not necessarily result in positive returns to investors. Therefore, the LTE General Partner may be awarded Incentive Distribution amounts with respect to investments that ultimately are not profitable upon disposition and/or do not result in distributions to investors, and such amounts will not be recouped by investors through an offset to the Management Fee, a clawback of LTE General Partner distributions, or otherwise.

Privacy and Data Protection Law Compliance Risk. The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, the EU and other jurisdictions (collectively, “Privacy Laws”) could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the Adviser, the General Partners, the Funds and/or their portfolio investments, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties or litigation, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the Adviser, the General Partners, the Funds and/or their portfolio investments, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place. Such laws broadly impact businesses that handle various types of personal data, potentially including private fund managers and their funds and investments. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties.

Certain jurisdictions, including U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability on regulated entities which could include the Adviser, the General Partners, the Funds and/or their portfolio investments.

Cybersecurity Breaches and Identity Theft. Cyber-attacks and other malicious Internet-based activity continue to increase in frequency and magnitude. Techniques used to sabotage, or

to obtain unauthorized access to, systems or networks change frequently and generally are not recognized until launched against a target. Therefore, companies, as well as their third-party partners, may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventive measures. The General Partners, the Adviser, the Funds' service providers and their portfolio investments' information and technology systems may be vulnerable to actual or perceived damage or interruption from computer viruses; infiltration by unauthorized persons and security breaches; and other disruptive behavior including denial-of-service attacks. Furthermore, the General Partners, the Adviser, the Funds' service providers and their portfolio investments may be vulnerable to actual or perceived usage errors by their respective professionals, network failures, computer and telecommunication failures, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes.

The General Partners, the Adviser, the Funds' portfolio investments, the Funds' service providers, and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and the limited partners, despite efforts to adopt technologies, processes, and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, and other technology assets, as well as the confidentiality, integrity, and availability of information belonging to the Funds and the limited partners. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the General Partners, the Adviser, the Funds' portfolio investments, the Funds' service providers, counterparties, or data within these systems, including through phishing or ransomware attacks. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers, or other users of the General Partners' or the Adviser's systems to disclose sensitive information in order to gain access to the relevant General Partner's data or that of the Adviser or the limited partners (including limited partner account and wire instructions). Similarly, third parties may attempt to fraudulently issue capital call notices or other requests to limited partners that purport to come from a General Partner or the Adviser, and/or induce limited partners to disclose wire and account information. To the extent that the General Partners, the Adviser, the Funds or portfolio investments are subject to cyber-attack or other unauthorized access is gained to such entity's systems, such entities would be subject to substantial losses in the form of stolen, lost, or corrupted (i) customer data or payment information; (ii) customer or company financial information; (iii) software, contact lists, or other databases; (iv) proprietary information or trade secrets; (v) loss of capital; or (vi) other items. In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments.

If technology or security systems are compromised, become inoperable for extended periods of time or cease to function properly, the General Partners, the Adviser, the Funds and/or portfolio investments may incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the General Partners', the Adviser's, the Funds' and/or portfolio investments' operations, including the ability to make distributions to limited partners, 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 the General Partners', the Advisers', the Funds' and/or a portfolio investment's reputation, subject any such entity and its respective affiliates to legal claims (from an individual or a governmental body) or otherwise affect their business and financial performance. In addition, the General Partners', the Advisers', the Funds' and/or portfolio investments' insurance coverage may be insufficient to compensate any such entity and its respective affiliates for incurred liabilities.

Material, Non-Public Information; Other Regulatory Restrictions. As a result of the operations of the Adviser and its affiliates, as well as in connection with officerships or directorships of Adviser personnel, the Adviser frequently comes into possession of confidential or material, non-public information. Therefore, the Adviser and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or the Adviser's internal policies and practices.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent the Adviser or the Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio investments owned or operated by such persons, or located in jurisdictions identified by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the U.S. Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio investment may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio investments owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of the Adviser's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio investments on a timeline or in a manner deemed undesirable by the Adviser or may limit the ability of one or more portfolio investments from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

Sanctioned Investors. If after subscribing to a Fund a limited partner is included on a list of prohibited persons maintained by a relevant regulatory or governmental authority (including OFAC or equivalent non-U.S. authorities) (a "**Sanctions List**"), the relevant General Partner will have the sole discretion to determine the resolution, remedy and manner of compliance of the Fund with applicable laws, including without limitation a "freeze" on distributions and/or capital calls from the relevant limited partner and reporting to the relevant authorities. Adverse actions by any

such authorities, including temporary or permanent stays or holds on the Fund's activities, could materially and adversely affect the Funds.

CFIUS and National Security Clearance Considerations. Certain investments are expected to be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States ("CFIUS"), such as where CFIUS-related laws, regulations or guidance deem non-U.S. persons or entities under their control (such as a Fund, co-investors and/or rollover sellers) to be acquiring a U.S. business (including a business with assets, personnel, facilities, and/or operations in the United States). CFIUS has the authority to review proposed or existing transactions or investments or to seek to impose limitations on or prohibit investments, and CFIUS filings and other considerations can materially impact transaction timing, feasibility, certainty and costs. In certain circumstances, CFIUS considerations have the potential to prevent a Fund from maintaining or pursuing investments, or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Fund's performance, and the likelihood that CFIUS considerations will be implicated is expected to increase where non-U.S. investors comprise a substantial percentage of a Fund. Under the Governing Documents, the relevant General Partner generally is authorized, although not required, to excuse or otherwise limit non-U.S. investors' ability to invest in U.S. businesses (or to exercise voting or advisory board rights with respect thereto) in order to anticipate or comply with CFIUS considerations. However, there can be no assurance that invoking any such excuse provisions or other limitations will allow each Fund to proceed with or maintain any investment, or to avoid losses relating thereto. Similar considerations are expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators.

International Conflicts. Wars and other international conflicts such as the Israeli-Palestinian conflict and the ongoing military conflict between Russia and the Ukraine have caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses. However, the ultimate impact of these conflicts and their effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

These conflicts may have a significant adverse impact and result in significant losses to the Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives.

Terrorism Considerations. In the current environment, there is a risk that one or more of a Fund's investments could be, directly or indirectly, affected by terrorist attack. An attack could have a variety of adverse effects on the business and performance results of one or more of a Fund's investments, including risks and costs related to the destruction of property, inability to use

one or more properties for their intended uses for an extended period, decline in rents achievable or property value and injury or loss of life, as well as litigation related thereto. Such risks may not be insurable or subject to increased insurance premiums and deductibles that the relevant General Partner deems uneconomic. It is not possible to predict the severity of the effect that any such future events would have on the United States financial and insurance markets and economy or the value of a Fund's investments.

Non-Payment of Mortgages Underlying CMBS. The collateral underlying commercial mortgage-backed securities ("CMBS") generally consists of commercial mortgages or real property that have a multifamily or commercial use, such as retail space, office buildings, warehouse property and hotels. With most commercial mortgage loans, the bulk of the loan balance is payable at maturity with a one-time payment, commonly known as a "balloon payment" and is usually non-recourse in nature. The prospect of full repayment of the commercial mortgage loans underlying CMBS depends on the ability of the commercial borrower to generate current income from its commercial property. Also, the likelihood of the commercial borrower repaying the commercial mortgage loan at maturity is heavily influenced by the commercial borrower's ability to secure subsequent financing. If a commercial borrower defaults on the commercial mortgage loan underlying a CMBS, then the options for financial recovery are limited in nature. In the event of default, the lender will have no right to assets beyond collateral attached to the commercial mortgage loan. In certain instances, a negotiated settlement or an amendment to the terms of the commercial mortgage loan are the only options before an ultimate foreclosure on the commercial property. Foreclosures can be lengthy and expensive and borrowers often assert claims, counterclaims and defenses to delay or prevent foreclosure actions. At any time during the proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure action and further delaying the process, and materially increasing the expense thereof, which expenses may not be recoverable. The ultimate disposition of a foreclosed property may also yield a price insufficient to cover the cost of the foreclosure process and the balance attached to the defaulted commercial mortgage loan, which would result in substantial investment losses, and ultimately a decline in the value of CMBS.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private funds industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of the Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute their investment strategy or achieve its investment objectives. In particular, a Fund may be required to incur additional costs and expenses in implementing structural changes in the conduct of the Fund's business, including to establish greater presence in certain jurisdictions in which the Fund invests or proposes to invest, and such Fund may also become directly or indirectly subject to additional tax liabilities (for example, through restrictions on or denial of the deductibility of interest expenses against taxable profits). The foregoing may make it less attractive or impractical to continue to invest in one or more jurisdictions. Additionally, such additional scrutiny may divert the Adviser's time, attention and resources from portfolio management activities.

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity and credit

firms, contributed to the past downturns in the U.S. and global financial markets, may complicate or prevent the Fund's efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, the Funds may invest in fewer transactions or incur greater expenses, litigation risk or delays in completing or exiting investments than it otherwise would have.

In particular, the SEC has proposed and enacted significant rules that will impact the business of the Adviser and the Funds. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact the Adviser and its affiliates, the Funds and/or their investments. In addition, the Funds are expected to bear significant increased costs as a result of such rules, including costs relating to investor reporting and disclosures. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to the Funds. Certain rules are or may become subject to legal challenge from private fund industry groups and others, and to the extent such legal challenges are successful, investors will not be afforded some or all of the protections provided by these rules.

Inflation. High rates of inflation and rapid increases in the rate of inflation are expected to have a significant impact (often a negative or adverse impact) on financial markets and the broader economy. In an attempt to stabilize inflation, governments may impose wage and price controls or otherwise intervene in a country's economy. Governmental efforts to curb inflation, including by increasing interest rates or reducing fiscal or monetary stimuli, often have corresponding impacts (often negative) on the level of economic activity and also potentially result in market or financial sector uncertainty as a result of unintended consequences. Certain countries, including the U.S., have recently seen increased levels of inflation, and persistently high levels of inflation could have a material and adverse impact on the Fund's investments and aggregate returns. For example, if a company were unable to increase its revenue while business expenses were increasing, the company's profitability would likely suffer. Likewise, to the extent a company has revenue streams that are slow or unable to adjust to changes in inflation, including by contractual arrangements or otherwise, the company could increase revenue by less than its expenses increase. Conversely, as inflation declines, a company may see its competitors' costs stabilize sooner or more rapidly than its own.

Moreover, as inflation increases, the real value of the interests in the Funds and distributions therefrom can decline. If a Fund is unable to increase the revenue and profits of its investments at times of higher inflation, it may be unable to pay out higher distributions to the Partners to compensate for the decrease in value of the money, thereby affecting the expected return of limited partners. A Fund could also be adversely affected if the market value of its investments declines during times of higher inflation as compared to periods with lower inflation.

Financial Institution Risk; Distress Events. An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a "**Financial Institution**") of some or all of the Fund's (or any portfolio investment's) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty, similar to that

experienced by certain banks (each, a “**Distress Event**”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, the Adviser, any General Partner, the Funds and/or any of the portfolio investments may be unable to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose potentially increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of the Adviser to manage the Funds and their investments, and on the ability of the Adviser, any Fund or any portfolio investment to maintain operations, which in each case could result in operational burdens, significant losses and unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event a Fund is unable to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of a Fund to access capital contributions or otherwise); the inability of a Fund to acquire or dispose of investments, including at prices that the relevant General Partner believes reflect the fair value of such investments; and/or the inability of the Adviser or portfolio investments to make payroll, fulfill obligations and/or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution’s services, it is also possible that the Adviser will experience operational burdens and expenses, and a Fund or a portfolio investment will incur additional expenses and/or delays in putting in place alternative arrangements and/or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). There can be no assurance that the Adviser will be able to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, or that such remedies will be successful or avoid losses, delays or other negative impacts. The Funds and their portfolio investments are subject to additional risks in the event a Financial Institution utilized by investors of a Fund or suppliers, vendors, service providers or other counterparties of a portfolio investment become subject to Distress Events, which could have a material adverse effect on a Fund, its investors or such portfolio investments, including the risk of investor defaults.

Many Financial Institutions require, as a condition to using their services (including lending services), that the Adviser and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. Although the Adviser seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, the Adviser is under no obligation to use a minimum number of Financial Institutions with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

U.S. Taxation of Carried Interest. U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its General Partner, or the Adviser who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant General Partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for the Adviser to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

Secondaries and other General Partner-Led Transactions. There continues to be a significant market for secondary sales, General Partner-led transactions, continuation funds, successor fund investments and other transactions, and the Adviser reserves the right to dispose of (or seek additional capital for) Fund investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase all or a portion of one or more investments that will continue to be managed by the Adviser following the transaction. Such transactions are permitted to be undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where the Adviser believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by the Adviser and its affiliates), often on different terms than their original investment in the Fund. However, certain of such transactions are expected to involve: a limited partner investing (or being required to invest) additional capital in the existing Fund and/or other investment vehicles; a greater exposure to one or more particular portfolio investments; and/or a delay in the full liquidation of the Fund's investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio investment will have their interest adjusted as if distributed (i.e., a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of the Adviser or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where the Adviser or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the relevant General Partner on the sale of an asset from an existing Fund in such transaction), their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, the Adviser, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the subject investment(s). To the extent the Adviser requires existing

limited partners and/or new buyers to commit capital to a continuation fund or another Fund managed by the Adviser in addition to the purchase amount paid in a transaction (including commitments to the relevant Fund in specified ratios to the purchase price), such requirement is expected to have a dilutive effect on the purchase price for the selling Fund and its limited partners. There can be no assurance that any such transaction will accurately reflect the fair market value of the investment(s) being sold. Further, the relevant General Partner is expected to be incentivized, including through the possibility of receiving additional compensation, to make investments in portfolio investments with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances the Adviser reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory board prior to the closing of the transaction, there can be no assurance that the Adviser will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, the Adviser reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents. The Adviser is permitted to seek the consent of the relevant Fund advisory board(s) to approve conflicts associated with such transactions and accordingly not all limited partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the relevant Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

Conflicts of Interest

The Adviser and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the accounts of other Funds in addition to providing hotel asset management or operational management, development, sales, marketing and residential brokerage services and/or administrative services (including accounting, financial and other similar services) with respect to Fund portfolio investments and/or other investments. The Adviser will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of the Adviser conducting its activities, the interests of a Fund likely will conflict with the interests of the Adviser, one or more other Funds, portfolio investments or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, the Adviser will determine all matters relating to Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory board(s) of the participating Fund(s).

During the investment period of a Fund, all appropriate investment opportunities that meet the principal investment objectives, strategy, scope, investment criteria and guidelines of such Fund generally are expected to be pursued by the Adviser's investment professionals through such Fund, subject to certain limited exceptions set forth in the Fund's Governing Documents and the Adviser's allocation policy. However, subject to any other applicable limitations in the Governing Documents of a Fund, the Adviser, its affiliates and its Principals are permitted to form, market, manage, and organize Funds and other investment vehicles and serve as the general partner or manager of, or entity acting in a similar capacity for, such other Funds and other investment vehicles. Without limitation, the Adviser's investment professionals currently manage, and expect in the future to manage, several other investments similar to those in which a Fund will be investing and expect to direct certain relevant investment opportunities or resources to those investments. In addition, the Principal and other Adviser personnel provide asset management and other services to a family office and special purpose vehicles that invest in real estate and receive compensation for such services that differs from, and in some respects is more favorable than, compensation earned from the Funds, which poses conflicts of interest with respect to such personnel's time and attention to the Funds. Further, the Adviser's personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. The Principal and the Adviser's investment professionals will continue to manage and monitor such investments until their realization. Certain of the Adviser's investment professionals, including the Principal and the Chief Investment Officer, engage in other business activities, including serving on the board of directors of companies in the hotel or other related industries. The investment professionals of the Adviser also currently have, and expect in the future to have, economic interests in other businesses (such as the Real Estate Services Group and other real estate consulting businesses), as well as other investment portfolios and investments and receive fees and carried interest relating to these interests. Such other investments and/or business activities that the Adviser's investment professionals expect to control, manage or engage in generally have the potential to compete with portfolio investments, including hotel properties (as discussed above), acquired by a Fund. Following the investment period of a Fund, the Adviser's investment professionals may and likely will focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an investment opportunity is received that is unsuitable for a Fund, in the Adviser's sole discretion, the Adviser and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, as noted above, the Adviser's personnel are permitted to serve on boards or act in other roles unaffiliated with the advisers, the Funds or their portfolio investments, including boards of charitable and educational institutions, private and public companies, hotels and former portfolio investments, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce Management Fees.

The Adviser expects to be presented with certain investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of the Adviser. In determining which investment vehicles should participate in such investment opportunities, the Adviser and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the relevant Governing Documents, the Adviser is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of the Adviser in a portfolio investment

also have the potential to raise the risk of using assets of a client of the Adviser to support positions taken by other clients of the Adviser.

The Adviser must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. The Adviser generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Governing Documents, as well as factors including but not limited to: each Fund's investment restrictions and objectives (including those set forth in the relevant Fund's Governing Documents, where applicable), the expected capital needs of the target over the anticipated life of the investment (including to fund potential follow-on acquisitions), the type of ownership the Fund expects to have in the investment (e.g., a control vs. non-control position), portfolio construction principles (including concentration risk by type of investment and/or geographic location), the ability to succeed in a competitive process for a specific target, potential allocations for co-investment, conflicts of interest provisions in the relevant Governing Documents, strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, market conditions, asset composition, diversification limitation, cash level and available commitments (if any), applicable tax and regulatory considerations, life cycle, conflicts considerations and any other factors deemed relevant by the Adviser and its affiliates. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund generally reserves the right to invest together with other Funds advised by an affiliate of the Adviser in the manner set forth in the Governing Documents and the Adviser's Allocation Policy. The Adviser will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable consistent with the Adviser's obligations and may take into consideration factors such as those set forth above. In other circumstances, during the period that a portfolio investment is owned by a Fund, it could become a suitable investment for one or more other Funds due to size, revenue, earnings, change in business focus or other characteristics. A Fund may invest together with other funds advised by an affiliated adviser of the Adviser in the manner set forth in the relevant Governing Documents and the Adviser's investment allocation policy.

Following the determination of allocations among Funds based on the Governing Documents and other factors, the Adviser reserves the right, in its sole discretion, to provide or commit to provide co-investment opportunities to one or more investors in the investing Fund or other Funds, and/or other persons, including affiliates of the Adviser, the Real Estate Services Group and other consultants, lenders, management teams, joint venture partners, strategic investors, vendors, service providers, finders, other sponsors and market participants, in each case on terms to be determined by the Adviser in its sole discretion, subject to its then-current Allocation Policy and the Governing Documents and Side Letters. Conflicts of interest likely will arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which will be made to one or more persons for any number of reasons as determined by the Adviser in its sole discretion, may not be in the best interests of the applicable Fund or any individual investor. The Adviser will consider some or all of a wide range of factors in making such determinations, which may include: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the geographic location, market or industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; the

Adviser's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair the Adviser's ability to execute the relevant transaction in the desired time or on desired terms; the ability of the prospective co-investor to invest an amount of capital that is consistent with the needs of the investment, taking into account the amount of capital reasonably expected to be needed (including for potential add-on acquisitions and other potential additional investments); size of the investment allocation and practicality of dividing it up among multiple co-investors; the size and/or timing of an investor's capital commitment to a Fund or other Funds; lender requirements; the likelihood that an investor may invest in a Fund or a future Fund sponsored by the Adviser or its affiliates and whether the Adviser believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to a Fund or the Adviser or other Funds; whether the potential co-investor will pay a carried interest or Management Fee to the Adviser or its affiliates; expected investment holding period, services provided by the prospective co-investor to the issuer of the investment (or otherwise provided by the prospective co-investor with respect to the investment) and other factors that the Adviser considers important in connection with the specific transaction or investment. The Adviser is permitted to grant and has granted certain investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio investments or otherwise to have priority in co-investment opportunities. The Adviser's allocation of co-investment opportunities generally will not result in allocations that are proportional to the amounts committed, if any, by the relevant potential co-investors to a Fund, and such allocations are expected to be more or less advantageous to some persons or entities than to others.

Furthermore, the Adviser or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund investors and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and the Adviser expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the "most-favored nation" provisions of a Fund's Governing Documents and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund's Governing Documents. In order to facilitate the acquisition of a portfolio investment, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent

such a syndication is made, the General Partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio investment, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. For instance, in certain Funds, Significant Investors will be offered their pro rata share (based on commitments) of any co-investment opportunity offered to other Fund investors. When and to the extent that personnel and related persons of the Adviser and its affiliates make capital investments in (directly or indirectly through the Adviser) or alongside a Fund, the Adviser and its affiliates are subject to potentially conflicting interests in connection with such Fund's investments. There can be no assurance that such Fund's return from a transaction would be equal to and not less than another investment vehicle participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Due to the foregoing considerations and potential conflicts of interest, the Adviser's allocation of investment opportunities among the Funds may not always, and often will not, be proportional based on available capital commitments or other factors. Such allocations will at times be more advantageous to one Fund over another. While the Adviser intends to allocate investment opportunities among the Funds in a way that the Adviser, in its sole discretion, determine in good faith to be fair and equitable over time, consistent with the relevant Governing Documents and the Adviser's investment allocation policy, there can be no assurance that any Fund's actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they would have been if the potential conflicts of interest did not exist. The Funds are generally permitted to invest with other Funds, including in different securities of portfolio investments, in the manner set forth in the relevant Governing Documents.

In certain cases, the Adviser will have the opportunity (but, subject to any applicable restrictions or procedures in the Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, the Adviser will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on eligibility and other factors similar to those employed in selecting co-investors, and unless required by the Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Where multiple Funds invest at the same, different or overlapping levels of a portfolio investment's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio investment. If additional capital is

necessary because of financial or other difficulties, or to finance growth or other opportunities, Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by the Adviser in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio investment, the Adviser expects to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, one Fund versus another Fund (*e.g.*, the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). If a Fund enters into any indebtedness with another Fund on a joint and several basis, the relevant General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, the Adviser expects to be subject to potential conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. In certain circumstances Funds are expected to be prohibited from exercising (or the Adviser may deem it appropriate to refrain from exercising) voting or other rights to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other may be subject to creditor claims regarding subordination of interests. The Adviser intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness, without undue favoritism over time.

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of an investment in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This will likely result in differences in price, terms, leverage and associated costs. Where multiple Funds invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of Broken Deal Expenses relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Funds nearing the end of their term may sell their interest in commonly held investments to other Funds with more time remaining in their term, which gives rise to the conflicts of interest discussed herein. Adviser and its affiliates reserve the right to express inconsistent views of commonly held investments or of market conditions more generally. Management Fees and carried interest payable to the Adviser and/or its affiliates varies among Funds, and poses potential conflicts of interest with respect to decisions regarding commonly held investments. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions taken for one or more Funds that may adversely affect other Funds. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to a Fund.

The Adviser reserves the right to cause a Fund to enter into a transaction whereby such Fund (i) purchases securities from, or sells securities to, other Funds managed by the Adviser, or

co-investors or co-investment vehicles or (ii) co-invests alongside other Funds or co-investors. Such transactions may arise in contexts where a portfolio holding owned by one Fund is acquired by a portfolio holding acquired by another Fund. In some cases a portfolio investment of one Fund will be merged with or into a portfolio investment owned by another Fund. Any of these transactions raise potential conflicts of interest, including where: (i) the investment of one Fund supports the value of portfolio investments owned by another Fund; or (ii) the transaction allows the Adviser or its affiliates to realize carried interest or receive future Management Fees or other compensation with respect to such investments. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the Governing Documents or otherwise in the sole discretion of the Adviser, the Adviser reserves the right to seek to mitigate such conflicts by seeking input from an unaffiliated third party (including the use of a consultant or investment banker paid for by the relevant Funds to opine as to the fairness or "arm's-length" nature of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of the Adviser) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's advisory board) to such transactions. The Adviser reserves the right to determine that the willingness of a third party to make an investment on the same or similar terms demonstrates the fairness of the relevant transaction (including its value) to a Fund under then-current market conditions and therefore determine not to obtain a consent or fairness opinion (except where required by applicable law). The Adviser intends that any such transactions be conducted in a manner that it believes to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund. Conflicts of interest are also heightened in the foregoing transactions to the extent the relevant General Partners are assigned varying percentages of carried interest from Funds in the same investment, or if economic terms, performance and/or the potential for carried interest vary between Funds, particularly when one Fund sells its portion of such investment to another Fund, which could cause a portion of such carried interest to become "crystallized." Whether the Adviser obtains such an opinion or advisory board consent, or whether there is a third-party investment, the Adviser intends to conduct such transactions in a manner that it believes to be fair and equitable to each Ohana Fund under the circumstances over time, including a consideration of the potential present and future benefits with respect to each fund. Further, cross transactions are expected to arise in the context of automatic or other re-balancing of investments among parallel investing entities, and in such circumstances the Adviser generally will not seek a fairness opinion or advisory committee consent given that such transactions typically are effected close in time to the initial Fund's investment or pursuant to authorizing provisions in the relevant Governing Documents.

The Adviser will be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to the Funds. The Adviser, in its sole discretion, will allocate fees and expenses in accordance with the relevant Governing Documents, the Adviser will allocate fees and expenses in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, the Adviser expects to be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles receiving the benefit of such expenses (in the relevant General Partner's sole discretion) and eligible to reimburse expenses of that kind. In all such cases, subject to applicable law and legal, contractual or similar restrictions, expense allocation decisions generally will be made by the Adviser using its reasonable judgment, considering such factors as it deems relevant, but in its sole discretion to be fair and equitable across these vehicles. The allocations of such expenses will not necessarily be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining which Funds or co-invest vehicles benefit (or the extent to which they benefit) from the relevant service relating to the expense, or whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or the Adviser. The Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected in certain cases to result in the Funds bearing different levels of expenses with respect to the same investment. Further, the Adviser reserves the right to consider each relevant Fund's strategy as a component of its allocation of investment expenses, and as a general matter will not allocate expenses associated with one Fund's equity investment to a different Fund's credit investment, or vice versa, even if the two investments are in the same portfolio investment.

To the extent the Funds hold controlling interests (typically in the case of equity interests) in portfolio investments, the Adviser and/or its affiliates typically will have the right to appoint board members (including current or former Adviser personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. Portfolio investment board members frequently approve compensation and/or other amounts payable to the Adviser and/or its affiliates. Except to the extent such amounts are subject to the offset provisions of the Governing Documents, they will be in addition to any Management Fees or carried interest paid by a Fund to the Adviser or its affiliates.

Additionally, a portfolio investment typically will reimburse the Adviser or service providers retained at the Adviser's discretion for expenses (including, without limitation, travel expenses) incurred by the Adviser or such service providers in connection with its performance of services for such portfolio investment. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by Adviser personnel. This subjects the Adviser and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time could be significant. The Adviser determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to the Adviser or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of portfolio investments; and/or third party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest.

In connection with its services to the Funds and their investments, the Adviser, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of the Adviser's operations, including research, due diligence, investment

monitoring, operational improvements and investment activities, the Adviser and its personnel expect to receive and benefit from information, “know-how,” experience, analysis and data relating to Fund or portfolio investment (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, “**Adviser Information**”). In many cases, Adviser Information will include tools, procedures and resources developed by the Adviser to organize or systematize Adviser Information for ongoing or future use. Although the Adviser expects its Funds and their portfolio investments generally to benefit from the Adviser’s possession of Adviser Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio investments (or by the Adviser and its personnel) and not by the Fund or portfolio investment from which the Adviser Information was originally received or derived. Adviser Information will be the sole intellectual property of the Adviser and solely for the use of the Adviser. The Adviser reserves the right to use, share, license, sell or monetize Adviser Information, without offsetting or otherwise reducing Management Fees, and the relevant Fund or portfolio investment will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio investments are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, “points,” “cash back,” rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such programs are expected to vary over time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio investments, the Funds or their respective investors; no such rewards will offset or reduce Management Fees.

Certain investment professionals of the Adviser including the Principal are expected to perform consulting, hotel asset management or operational management, development, sales, marketing and residential brokerage services and/or administrative services (including accounting, financial and other similar services) for third-parties and Adviser affiliates pursuant to agreements with such parties, including the Real Estate Services Group.

The Adviser generally will receive compensation and reimbursements from such affiliates and/or third parties for expenses attributable to such services, including, salaries and out-of-pocket expenses. In addition, as discussed below, to the extent the Real Estate Services Group provides Services to a portfolio investment, such portfolio investment is expected to pay the Real Estate Services Group, notwithstanding that certain Services provided by the Real Estate Services Group will be performed by Adviser personnel in the Adviser’s sole discretion. This subjects the Adviser and its affiliates to conflicts of interest because the Funds do not have an interest or share in these payments, such payments will not otherwise reduce the Funds fees and expenses and the amount of such payments over time is expected to be substantial. The Adviser believes that potential conflicts may be reduced as discussed below.

The Adviser generally exercises its discretion to recommend to a Fund or to a portfolio investment thereof that it contract for services certain service providers, and such service providers are expected to include: (i) the Adviser, the Real Estate Services Group or a related person of the Adviser (which is permitted to include a portfolio investment of the Fund); (ii) an entity with which the Adviser or its affiliates or current or former personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit, including the Real Estate Services Group, including relationships with joint venturers or co-venturers, or

relationships where the Adviser personnel are seconded, or from which the Adviser receives secondees; or (iii) certain investors or their affiliates. This discretion subjects the Adviser to conflicts of interest, because although the Adviser selects service providers that it believes are aligned with its operational strategies and will enhance portfolio investment performance and, relatedly, returns of the relevant Fund, the Adviser has an incentive to recommend the related or other person (including an investor) because of its financial or other business interest, including the Principal's business interest in the Real Estate Services Group. There are scenarios in which the Adviser, because of such belief or for other reasons (including whether the use of such persons could financially benefit the Adviser and/or its affiliates, establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the Funds or the Adviser), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. The Adviser will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio investments to incur) such expenses. Whether or not the Adviser has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

The Adviser and/or its affiliates reserve the right to employ or engage personnel (or their affiliates) or utilize service providers with pre-existing ownership interests in the Funds, portfolio investments owned by the Funds or other investment vehicles advised by the Adviser and/or its affiliates; conversely, current or former personnel or executives of the Adviser and/or its affiliates are expected to serve in significant management roles at portfolio property management or operational management companies or service providers recommended by the Adviser. Similarly, the Adviser, its affiliates and/or personnel maintain relationships with (or invest in) financial institutions, service providers and other market participants, including, but not limited to managers of private funds, banks and brokers, advisors, consultants, finders (including executive finders, portfolio investment finders, executives, attorneys, accountants, institutional investors, family offices, lenders, current and former personnel, and current and former portfolio property management or operational management company executives, as well as certain family members or close contacts of these persons). The Adviser expects that certain of such third parties will: (i) introduce investment opportunities to the Adviser; (ii) arrange for, or facilitate financing of, the purchase or recapitalization of current and potential portfolio investments; (iii) introduce portfolio investments to potential acquisition or merger candidates; (iv) introduce the Adviser to potential buyers of portfolio investment securities; (v) facilitate the disposition of portfolio investments; (vi) provide investment banking, consulting, legal or advisory services to the Adviser, the Funds or their respective portfolio investments; (vii) co-invest in portfolio investments; (viii) provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Adviser entities, whether or not relating to financing Adviser personnel obligations to fund General Partner commitment obligations) to Adviser personnel and their estate planning vehicles, or their friends or family members; (ix) introduce or recommend private investment opportunities to Adviser personnel or their friends or family members; (x) invest in one or more Funds; (xi) engage in transactions with and/or provide services (including services at reduced rates) to, the Adviser and/or its affiliates, and/or a Fund or other Funds and/or their respective investments; or (xii) provide other significant business or investment services to the Adviser, the Fund, portfolio investments, the Adviser personnel, and friends or family of Adviser personnel. Further, certain of these persons or entities will invest (or will be

affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Adviser and/or its affiliates, and/or the Funds or other investment vehicles they advise.

The Adviser expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio investment if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide the Adviser information about markets and industries in which the Adviser operates (or is contemplating operations) or will provide other services that are beneficial to the Adviser or one or more Funds. The Adviser expects to be subject to a potential conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio investments for a Fund, while the products or services recommended may not necessarily be the best available to the Fund or its portfolio investments.

Except to the extent prohibited by the Governing Documents, the Adviser and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or SPACs the investment or business strategy of which does not overlap with the Fund(s) and to receive compensation (including in the form of Management Fees, performance-based compensation, founders' equity or similar interests) relating thereto. Subject to any limitations imposed by the Governing Documents and anti-"assignment" provisions of the Advisers Act, the Adviser and its personnel are also permitted to offer, restructure and monetize interests in the Adviser.

The Adviser believes that the significant investment of certain of its investment professionals in the Funds, as well as their interest in the carried interest, aligns, to some extent, their interests with the interest of the investors; however, certain strategic investors with significant capital commitments are expected to share in the net Management Fee income and/or carried interest with respect to a Fund. As discussed below, this also has the potential to create an incentive for the Adviser to utilize the services of the Real Estate Services Group. Such investors do not have investment approval, veto or other similar governance rights with respect to investment decisions by the Adviser.

The Adviser, its affiliates, and equity holders, officers, Principals and personnel of the Adviser and its affiliates reserve the right to buy or sell securities or other instruments that the Adviser has recommended to a Fund. In addition, officers, Principals and personnel reserve the right to buy securities in transactions offered to but rejected or otherwise not consummated by a Fund on their own behalf or on behalf of third parties, including Fund limited partners with whom they have a strategic or other relationship, but will not in such circumstances be required to share in, reimburse or compensate the relevant Fund for due diligence or other expenses (including Broken Deal Expenses) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity. Any such transactions are subject to any restrictions in the Fund's Governing Documents and any related policies and procedures set forth in the Adviser's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Personnel and related persons of the Adviser have, and are expected to continue to have, capital investments or other financial interests in or alongside certain

Funds, or in prospective portfolio investments directly or indirectly, and therefore the Adviser expects to have additional potential conflicting interests in connection with these investments.

A Fund's General Partner generally is permitted to receive a distribution in kind from the Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the General Partner as carried interest (which generally will be made using the value of the relevant securities on the date of distribution). In such circumstances, there is a potential conflict of interest between the General Partner (and its beneficial owners) and the relevant Fund's limited partners. For example, the General Partner and its beneficial owners may intend to hold the investment for a different time period than the Adviser deems suitable for the Fund. Although the General Partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following such Fund's disposition thereof, neither the relevant Fund nor its limited partners will benefit from the increase, and over time the economic benefit to the General Partner and its beneficial owners could exceed the value of the General Partner's pro rata interest in the Fund and the amount of carried interest owed. To the extent the beneficial owners of the General Partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the relevant Fund or its limited partners.

In addition, as described above, in certain circumstances portfolio investments and the Funds will pay or bear certain fees with respect to, and/or reimburse expenses of, the Real Estate Services Group (including consultants introduced or arranged by the Adviser and/or its affiliates that regularly provide services to one or more portfolio investments, prospective portfolio investments and/or the Fund), Property Services and Support Services, and such amounts do not offset or reduce the Management Fee. Certain members of the Real Estate Services Group generally make use of Adviser resources or otherwise are associated with the Adviser. The Real Estate Services Group is expected to include former personnel of the Adviser or certain portfolio investments, and in some circumstances former members of the Real Estate Services Group are expected to become personnel of the Adviser or personnel of portfolio investments. Consequently, the determination of whether individuals are members of the Real Estate Services Group is expected to vary and/or be revisited, which poses potential conflicts of interest where certain changes in status or categorization would reduce costs that the Adviser otherwise would be required to bear. The Real Estate Services Group generally receives investment opportunities, reimbursements and other compensation that will not be shared with the Funds or reduce the Management Fee of any Fund, as described herein, and the use of the Real Estate Services Group is expected to fluctuate and/or expand over time. Under many of these arrangements, including where members of the Real Estate Services Group are paid a flat fee, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or tangible work product generated by the Real Estate Services Group or with respect to Property Services. In certain cases, including where a Fund does not own a controlling interest in a portfolio investment, the portfolio investment, its management and/or equity holders potentially will not agree to engage and/or bear the costs of the Real Estate Services Group, the Property Services and/or Support Services. In such cases, where the relevant General Partner believes the services of the Real Estate Services Group, the Property Services and/or Support Services will benefit a portfolio investment, it is authorized to cause the relevant Fund to

bear such costs directly, resulting in such Fund bearing a disproportionate share of those costs vis-à-vis other equity holders of a portfolio investment, notwithstanding that other equity holders in that portfolio investment will receive the benefit of any returns that result from such services. In addition, certain of the Adviser's investment professionals, including the Principal, are expected to provide consulting or other services to the Real Estate Services Group or Fund portfolio investments, and any fees earned in connection therewith similarly will not reduce any Management Fees. In addition, to the extent the Adviser provides Real Estate Group Services or Property Services to a Fund, a portfolio investment or a prospective portfolio investment, as permitted under the applicable Governing Documents, it reserves the right to charge such entities fees in addition to the Management Fee. As noted herein, certain members of the Real Estate Services Group are affiliates of the Adviser, and the Principal controls certain entities within the Real Estate Services Group, and the retention of the Real Estate Services Group and provision of Property Services and Support Services subjects the Adviser and its affiliates to potential conflicts of interest because it would receive fees and/or expense reimbursement in addition to the Management Fee for such services. Therefore, the Adviser has an incentive to engage the Real Estate Services Group and/or provide Property Services and Support Services. The Adviser believes that such potential conflicts may be reduced if the services of the Real Estate Services Group, Property Services and Support Services align with the Adviser's model for the portfolio investment and improve the performance of such investment. In addition, compensation paid to the Real Estate Services Group will be disclosed to the extent required under the applicable Fund's Governing Documents. Although the Adviser seeks to engage the Real Estate Services Group and provide Property Services and Support Services with a view to creating efficiencies in servicing portfolio investments (and, ultimately, the applicable Fund) and/or improving portfolio investment performance, a number of factors could result in limited or no cost savings from such retention. There can be no assurance that members of the Real Estate Services Group or Adviser Personnel are more qualified to provide the applicable services, or could provide such services at a lower cost, than another service provider. The Adviser also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that the Adviser believes will align such persons' interests with those of the Funds' investors, and seeks to engage only Real Estate Services Group members and other service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Although the Adviser generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. In certain circumstances where the Adviser commits or has committed to seek "market" or "arms-length" rates or terms (including with respect to any Property Services or Support Services), the Adviser will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Consequently, the Adviser undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable, or relate specifically to the assets, services or geographies to which such rates or terms relate. Where such rates or terms include hourly components, the Adviser reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest.

Because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when the Adviser may not otherwise have done so.

The Governing Documents provide the Advisers with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that in each case have the potential to affect the Advisers' compensation. In making such determinations, the Advisers are subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for the Advisers or their affiliates to make investments and to hold investments longer than otherwise would be the case in the absence of the relevant Fund's Management Fee and carried interest compensation arrangements. The Advisers expect to be incentivized to cause a Fund to make, hold, value and/or dispose of investments (and to delay or forego a determination that the investments are Impaired Value Investments) in order to receive greater ongoing Management Fees and, potentially, earlier and/or larger carried interest distributions than would otherwise be the case.

Where the Management Fee is calculated taking into account the valuation of an investment, the Advisers will have incentives to make determinations that result in the continued payment of, or a higher, Management Fee. Where the Governing Documents do not require Management Fees to be reduced in connection with investment reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, the Advisers are incentivized to pursue such transactions. Additionally, the amount of carried interest owed to the relevant General Partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are Impaired Value Investments, and the relevant General Partner expects to be subject to related potential conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value Investment, within the requirements of the relevant Governing Documents.

The Advisers' wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by the relevant General Partner or its affiliates in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the relevant General Partner's determination that an investment is an Impaired Value Investment, and except as set forth in the Governing Documents, neither the General Partner nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the Fund's holding period. The General Partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the Governing Documents. As a general matter, the standards for determining Impaired Value Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of the Advisers' compensation is dependent in part on an investment's status as an Impaired Value Investment, the relevant General Partner faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although the Advisers intend to operate in accordance with the Governing Documents, as

well as its valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

Because the Adviser is permitted to retain certain Supplemental Fees (as described under “Fees and Compensation”) in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, Supplemental Fees are based on enterprise value or other metrics relating to a portfolio investment, but also have the potential to be charged on a flat-fee basis or based on another metric, and there can be no assurance that the amount of Supplemental Fees charged will be proportional to the amount of hours of work performed or tangible work product generated on behalf of the portfolio investment.

In certain circumstances, such as those relating to short- or long-term portfolio investment cash or liquidity needs, and regardless of whether the portfolio investment is undergoing financial stress, the Advisers reserve the right to accrue, and defer or forego payments of Supplemental Fees. In such cases, in accordance with the Governing Documents, investors will not receive the benefit of Management Fee offsets with respect to such amounts until they are actually received.

The Adviser and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited, to different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of the Adviser’s compensation), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund’s advisory board, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, as well as economic, procedural and other terms, many of which will not be subject to the “most-favored nation” provisions of a Fund’s Governing Documents.

The Adviser is likely to have its own economic and/or other business incentives to provide certain terms to certain Fund investors, *e.g.*, based on commitment amount to a Fund or the timing thereof, the ability of an investor to provide sourcing or other services to the Adviser, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the Adviser, its affiliates and personnel, or the Funds. Further, Side Letters also are expected to relate to strategic relationships under which an investor agrees to make commitments to multiple Funds. Except in the circumstances and on the timing required by Governing Documents and/or applicable law, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the Adviser, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject the Adviser to potential conflicts of interest, including in circumstances where an investor’s right to serve on the relevant Fund’s advisory board results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or

of limited partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

As a consequence of one or more investors being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating investors could be adversely affected in a material manner by the unfavorable performance of particular investments. Although the Adviser believes it to be unlikely, excuse or other rights requested or received by one or more investors (or such regulatory, tax or other factors applicable to such investors) representing a substantial percentage of a Fund have the potential to create significant variations in investors' investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. An investor's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more investors' voting rights generally will increase the voting rights percentage of other investors in the relevant Fund. Further, investors with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

The Adviser expects to engage, or coordinate the engagement of, certain service providers and/or vendors, which provide goods and/or services to portfolio investments owned by a Fund, the Adviser, its affiliates (including the Real Estate Services Group) and portfolio investments owned by other Funds. Participants in such arrangements generally participate voluntarily and expect to receive discounts negotiated with such service providers and/or vendors on a group-wide basis. The Adviser and its affiliates (including the Real Estate Services Group) also participate, and receive similar benefits and discounts as the portfolio investments participating therein. No such amounts will offset or reduce the Management Fee. The Adviser believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio investments (which is expected to be to the benefit of the applicable Fund(s)) that will result if the negotiated discounts rates for goods and/or services are discounted relative to those widely available in the market.

The Adviser has instituted a program under which portfolio investments owned by the Funds are given the option to participate in purchasing, vendor or similar arrangements with the Adviser, its affiliates and other portfolio investments. Program participants expect to receive discounts negotiated with various vendors and service providers on a groupwide basis. In certain cases, such arrangements will involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual insured parties. The Adviser believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio investments (which is expected to be to the benefit of the applicable Fund(s)) that will result if the rates for goods and services are discounted due to scale or relative to those widely available in the market.

The Adviser, its affiliates and personnel and persons selected by them expect to receive the benefit of “friends and family” and similar discounts from hotels, resorts and/or other properties owned by the Funds under which such properties make their lodging, leasing and/or services available at reduced rates. Discounted prices or better terms offered by a portfolio investment to the Adviser, its affiliates, any other portfolio investment or third parties have the potential to affect the returns of the portfolio investment.

Although the Governing Documents generally contain broad exculpation and indemnification provisions, the Adviser will not interpret such provisions to constitute a waiver of any person’s non-waivable federal fiduciary duties to the relevant Fund under the Advisers Act. The relevant liability standards under insurance coverage procured by the Adviser are expected to vary by carrier, and such standards are expected to vary over time depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages are expected to vary from relevant liability and/or indemnity standards in the Governing Documents. Investors generally will be responsible for insurance premiums, as set forth in the Governing Documents, regardless of whether the liability and/or indemnity standards in the Adviser’s insurance coverage are higher or lower than that set forth in the Governing Documents.

Any of these situations subjects the Adviser and/or its affiliates to potential conflicts of interest. The Adviser attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by the Adviser’s advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, the Adviser will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, the Adviser consults and receives consent to conflicts from the appropriate investors in the relevant Fund(s).

ITEM 9 - DISCIPLINARY INFORMATION

The Adviser and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Adviser is affiliated with other Ohana investment advisers, including the General Partners and equivalent entities formed and subject to the Advisers Act pursuant to Adviser’s registration in accordance with SEC guidance. These entities operate as a single advisory business together with the Adviser and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, personnel, consultants or persons occupying similar positions.

As noted above, the Adviser is affiliated with Ohana Realty Corp., a residential brokerage firm providing real estate sales and marketing services. Ohana Realty Corp. may provide services to a Fund or portfolio investment to the extent permitted under its Governing Documents. The

Adviser does not believe the relationship creates a material conflict of interest, although potential conflicts of interest are discussed above under “Methods of Analysis, Investment Strategies and Risk of Loss.”

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

The Adviser has adopted the Code of Ethics and Securities Trading Policy and Procedures (the “**Code**”), which sets forth standards of conduct that are expected of the Adviser’s Principals and personnel and addresses conflicts that arise from personal trading. The Code requires certain Adviser personnel to:

- report their personal securities accounts, transactions and holdings in Reportable Securities;
- pre-clear with the Chief Compliance Officer any proposed direct or indirect acquisition of beneficial ownership of any initial public offering or limited offering;
- pre-clear with the Chief Compliance Officer the direct or indirect acquisition or disposition of certain other securities; and
- comply with the policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information.

A copy of the Code will be provided to any investor or prospective investor upon request to John Ginochio, the Adviser’s Chief Compliance Officer, at (650) 681-0185. Personal securities transactions by personnel who manage client accounts are required to be conducted in a manner that prioritizes the client’s interests in client eligible investments.

The Adviser and its affiliated persons may come into possession of material, non-public or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, the Adviser and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Adviser.

Accordingly, should the Adviser or any of its affiliated persons come into possession of material, non-public or other confidential information with respect to any public or non-public company, the Adviser generally would be prohibited from communicating such information to clients, and the Adviser will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and/or procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Adviser personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

Principals and personnel of the Adviser and its affiliates generally are expected to directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles are expected to invest in one or more of the same portfolio investments as a Fund. Co-invest opportunities generally are also expected to be

presented to certain affiliates of the Adviser, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles, directly in a particular portfolio investment or through an intermediate entity in a portfolio investment's structure. Such co-investment opportunity generally will be allocated in the manner described under "Methods of Analysis, Investment Strategies and Risk of Loss."

The Adviser and its affiliates, Principals and personnel expect to carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in a Fund, as well as give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. The Governing Documents and investment programs of certain Funds generally restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds or be subject to limitations (e.g., by time or percentage of capital deployed).

Each Adviser reserves the right to advance funds on behalf of a Fund and contribute such amounts to the relevant Fund as a special interim capital contribution for investment, to be redeemed at a later date. A yield amount in connection with such borrowing typically is borne by the relevant Fund, consistent with the Governing Documents. Similarly, the Adviser or an affiliate is authorized to sign non-disclosure agreements or other deal documentation in view of future participation by one or more Fund(s), although this typically is done as a courtesy and without compensation from a Fund.

In borrowing on behalf of a Fund, the Adviser is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause a Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the relevant Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the investors would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. The relevant General Partner generally will not participate in a Fund-level borrowing facility, and generally will not bear the related costs attributable thereto, including interest expenses or costs payable, in which case such amounts will be borne solely by the investors. In addition, when the Management Fee is calculated as a percentage of invested capital, an investor may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to investors will be commensurate with such costs.

The Adviser will effect such borrowings consistent with a Fund's Governing Documents and in a manner it believes to be fair and equitable under the circumstances to the relevant Fund.

ITEM 12 - BROKERAGE PRACTICES

The Adviser typically focuses on securities transactions of private real estate-related debt securities and generally purchases and sells such securities through privately-negotiated transactions, which may or may not involve the services of a broker-dealer. However, the Adviser reserves the right to distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, if a public trading market exists. Although the Adviser does not intend to regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If the Adviser buys or sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Adviser. In such event, the Adviser will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Adviser reserves the right to consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

The Adviser has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Adviser generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Adviser seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although the Adviser generally does not make use of such services at the current time and has not made use of such services since its inception.

The Adviser does not, in normal market conditions, engage in regular public securities transactions; however, it is permitted to do so and does so. To the extent that the Adviser engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, the Adviser also reserves the right to purchase or sell the same securities or instruments for several Funds simultaneously. The Adviser is permitted, but not obligated, to purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of the Adviser is favored over any other Fund. When an aggregated order is

filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day.

To the extent such orders are not batched, they have the potential to increase brokerage commissions or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds.

ITEM 13 - REVIEW OF ACCOUNTS

The Funds generally hold private, illiquid and long-term investments. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors investments of the Funds. The relevant investment committee or the Principal (as applicable) is responsible for ensuring that Fund investments are maintained in order with a Fund's stated objective(s), and the Adviser's Chief Compliance Officer periodically checks to confirm that such Fund is maintained in accordance with its stated objectives.

The Funds generally will provide to investors (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each investor's tax return and (iii) annual and quarterly reports providing a narrative summary of the status of each portfolio investment.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

The Adviser and/or its affiliates intend to provide certain business, consulting or real estate services to portfolio investments and expect to receive compensation from these companies in connection with such services. Generally, fees and expense reimbursements related to such services are in addition to Management Fees. *See* "Fees and Compensation."

The Advisers reserve the right to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. These arrangements generally are disclosed in the relevant Fund's Form D. Any fees payable to any such placement agents generally will be borne by the Advisers indirectly through an offset against the Management Fee under the Governing Documents, although related expenses incurred pursuant to the relevant placement agents or similar agreement, including, but not limited to, placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

ITEM 15 - CUSTODY

The Advisers have custody of the Funds' funds or securities and are subject to Rule 206(4)-2 under the Advisers Act (the "**Custody Rule**"). Pursuant to the Custody Rule, the Funds' assets are held in the name of one or more Funds, subject to certain exceptions set forth in the Custody Rule and related guidance, with the following qualified custodians: Merrill Lynch, Pierce, Fenner & Smith Incorporated (New York, NY), Citibank, N.A. (New York, NY) or First Republic Bank (Menlo Park, CA). As mentioned in Item 13, the Funds' investors will receive annual GAAP

audited and quarterly unaudited financial statements. Those audited financial statements will be distributed to the investors within 120 days of the Funds' fiscal year-end. The Adviser recommends that investors carefully review such quarterly statements and annual reports.

ITEM 16 - INVESTMENT DISCRETION

The Adviser generally has discretionary authority to manage investments on behalf of each Fund. As a general policy, the Adviser does not allow clients to place limitations on this authority. To the extent permitted under a Fund's Governing Documents, the Adviser and/or its affiliates also may enter into Side Letters with certain investors whereby the terms applicable to such investor's investment in a Fund may be altered or varied, including, in some cases, the right to consent to certain decisions that are made on behalf of the Fund. The Adviser assumes this discretionary authority pursuant to the terms of the Governing Documents and powers of attorney executed by the investors of such Fund, as applicable.

ITEM 17 - VOTING CLIENT SECURITIES

The Adviser has adopted Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how it will vote proxies, as applicable, for each Fund's portfolio investments. The Proxy Policy seeks to ensure that the Adviser votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. The Adviser generally believes its interests are aligned with those of each Fund's investors, for example, through the Principals' beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that the Adviser may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund's advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. There also may be instances when the Adviser refrains from voting a proxy, such as when the Adviser determines that the cost of voting the proxy exceeds the expected benefit to a Fund and would not be in the Fund's best interest. The Adviser does not consider its receipt of management or other fees from portfolio investments to create a material conflict of interest in voting proxies with respect to such investments. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by the Adviser when voting proxies on behalf of a Fund. Clients or investors may obtain a copy of the Adviser's Proxy Policy or information regarding how the Adviser voted proxies for particular portfolio investments by contacting John Ginocchio, the Chief Compliance Officer, at (650) 681-0185, and it will be provided at no charge.

ITEM 18 - FINANCIAL INFORMATION

The Adviser does not require prepayment of Management Fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.