
WINTHROP CAPITAL ADVISORS, LLC

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This Brochure provides information about the qualifications and business practices of Winthrop Capital Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at 617-570-4600. The information in this brochure has not been approved by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Winthrop Capital Advisors, LLC is an SEC registered investment adviser. Registration does not imply a certain level of skill or training.

Additional information about Winthrop Capital Advisors, LLC is available on the SEC’s website at www.advisorinfo.sec.gov.

ITEM 2. MATERIAL CHANGES

We are required to tell you about any material changes in this updated Brochure since the last Brochure was prepared and filed with the SEC on March 31, 2023.

There are no material changes in this latest Brochure.

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GENERAL

ITEM 4. ADVISORY BUSINESS

Winthrop Capital Advisors, LLC (“**Winthrop Capital Advisors**”, the “**Adviser**”, “**our**” or “**we**”), a Delaware limited liability company, is an investment management firm organized in 2016 to provide investment management services to Winthrop-Witkoff Co-Investment Fund L.P. , Winthrop Strategic Real Estate Fund L.P. (the “**WSRE Fund**” or the “**Primary Fund**”, collectively as “**clients**” or “**Funds**”) and affiliated funds organized (and to be organized) to co-invest along with the Funds, in real estate-related assets. The Winthrop-Witkoff Co-Investment Fund L.P. has since been dissolved. Winthrop Capital Advisors also provides back office and administrative services to affiliated and unaffiliated companies involved in the real estate business and these services constitute our primary business activity.

Winthrop Capital Advisors offers investment advisory services to private funds, including the Funds and affiliated funds organized to co-invest along with the Funds in a particular syndicated co-investment or Investment Vehicle opportunity generally sponsored by the general partner of the Fund or one of its affiliates. Our clients are typically organized as limited partnerships and, as noted below, the Fund General Partner or an affiliate thereof serves as the general partner of each Fund we advise. Winthrop Capital Advisors serves as investment manager or investment adviser to each Fund. We specialize in investments in real estate and real estate-related assets. We do not currently offer advice on investments that are not related (directly or indirectly) to real estate. Typically, our advisory services include identifying and acquiring, on behalf of clients, real estate-related investments and subsequently managing such assets through disposition.

Winthrop Capital Advisors tailors its advisory services in accordance with each Fund’s investment strategy as disclosed in its offering documents [which typically include a private placement memorandum (the “**PPM**”), partnership agreement and subscription agreement, each of which may be amended and/or supplemented, from time to time]. These offering documents typically contain investment guidelines and/or investment restrictions imposed on the applicable Fund. Our investment professionals formulate investment strategies and render specialized investment advice to each of our clients.

All capitalized terms not otherwise defined in this Brochure have the meanings ascribed to them in the appropriate Fund’s offering documents (*i.e.*, limited partnership agreement, Primary Fund PPM, WSRE Fund PPM, etc.)

WEM-WCP LLC (“**WEM-WCP**”), a Delaware limited liability company, directly owns 100% of the Adviser. WEM-WCP is principally owned by Mr. Michael L. Ashner, who is also the Adviser’s Chief Executive Officer.

The advisory services offered by Winthrop Capital Advisors are tailored to the requirements of the client’s organization documents and the controlling documents and agreements for any Syndicated Co-Investment or Investment Vehicle, as later defined, opportunities.

The Adviser's investment management activities for their clients and each of the other Funds is subject to the ongoing oversight and review of the Funds General Partners and the general partner for each of the other Funds who will continue to be responsible for setting general policies with respect to each of the Funds.

Primary Fund Background

Winthrop Strategic Real Estate Fund GP LLC (the “**Primary Fund GP**”), an affiliate of Winthrop Capital Advisors, LLC (“**Winthrop**”), is establishing the Winthrop Strategic Real Estate Fund L.P., a Delaware limited partnership (the “**Primary Fund**”), to: (i) acquire or originate distressed real estate debt and quasi-debt instruments and interests including, mortgage loans, publicly traded CUSIP securities, mezzanine loans, B-Notes, single asset backed real estate securities (CMBS), preferred equity, as well as interests in each of the foregoing (e.g. participation interests); (ii) acquire platform investments in companies that invest in real estate debt or equity; and (iii) acquire opportunistically priced distressed real estate equity investments. The Primary Fund may also pursue activist strategies with respect to the foregoing. In all cases, the underlying real estate assets will comprise multi-family (both rental and condominium), retail, hospitality, office, gaming and fully entitled developments in the 25 largest Metropolitan Statistical Areas. All of the foregoing collectively referred to as “**Targeted Investments**.”

The Primary Fund is seeking to raise up to \$250 million in equity commitments, which includes a significant 10% commitment from the Primary Fund GP and affiliates thereof up to \$15,000,000, as well as a commitment to fund not less than 2.5% of all Syndication Participation Amounts (as hereinafter defined). To date, an institutional investor (the “**Initial Primary Fund LP**”) has agreed to make a \$40,000,000 commitment to the Primary Fund. Limited partners in the Primary Fund, including the Initial Primary Fund LP, (“**Primary Fund LPs**”) and their affiliates will have the right to elect to increase their allocations in certain Targeted Investments through optional co-investment elections on a deal-by-deal basis through an Investment Vehicle (as hereinafter defined). The Primary Fund is targeting a blended net internal rate of return on the portfolio-level consistent with the past performance of the Winthrop Team for similar Targeted Investments.¹

The Primary Fund GP believes that the Primary Fund presents an attractive investment opportunity based on: (i) the current real estate market; (ii) the Primary Fund GP's substantial experience in originating and acquiring real estate debt instruments as well as acquiring, owning, operating and managing all categories of commercial real estate assets; (iii) the unique and favorable structure of the Primary Fund; and (iv) the Primary Fund GP's ability to source and manage these complex and illiquid real estate investments

Primary Fund GP

Winthrop is led by Michael L. Ashner who, along with the other members of the senior management team described in Section III, “*Winthrop Team Background*” (the “**Winthrop Team**”) of the PPM, have invested in over 150 different transactions deploying more than \$2.4 billion of equity with respect to more than \$15 billion of real estate related assets. These investments have ranged from less than \$5 million to

¹ Return target is neither a guarantee nor a prediction nor projection of future performance. Returns to investors will be net of fund-level management fees and carried interest.

more than \$240 million in the form of acquisitions of more than 112,000 apartment units, 75.6 million square feet of office, retail and industrial assets, and 11,900 hotel rooms across the US. The Winthrop Team has originated and acquired approximately \$1.3 billion of real estate debt instruments and structured preferred equity including mortgage loans, mezzanine loans, B-Notes, participation interests, single asset backed real estate securities (CMBS) and preferred equity. Through its experience, the Winthrop Team has developed a deep understanding of a variety of transaction structures, as well as a network of relationships that provides both investment sourcing capabilities and market knowledge.

Strategy

The Primary Fund GP will seek to pursue Targeted Investments that: (i) are priced as distressed investments; (ii) are then in default or which the Primary Fund GP reasonably believes will likely go into default prior to or at maturity; (iii) are in distress due to the nature of the underlying property or the borrower/owner; and/or (iv) the Primary Fund GP reasonably believes provides an opportunistic value investment on a risk adjusted basis. The Primary Fund GP believes that Targeted Investments provide significant opportunities for Primary Fund LPs for attractive risk-adjusted returns over time. The Primary Fund GP believes that the flexibility of this strategy supported by the Winthrop Team's significant commercial real estate experience will allow the Primary Fund to take advantage of evolving real estate market conditions to maximize risk-adjusted returns to Primary Fund LPs.

The Winthrop Team has more than 35 years of experience in pursuing remedies and rehabilitating/repositioning distressed real estate assets. This experience positions the Primary Fund to quickly transition from lender to owner with the requisite infrastructure already in place to manage, lease, develop, re-position and ultimately dispose of any foreclosed upon asset when necessary.

WSRE Fund Structure

The unique structure of the Primary Fund blends the benefits of both discretionary and elective investing for the investor. The Primary Fund will provide all or a portion of the equity for each Targeted Investment made by the Primary Fund directly, or indirectly through a subsidiary or an Investment Vehicle (as hereinafter defined) ("**Primary Fund Investments**" or "**Investments**") allowing the Primary Fund GP to expeditiously close transactions. Where the Primary Fund's portion of any single investment exceeds \$10 million, the Primary Fund GP may, and where any single investment exceeds \$15 million, the Primary Fund GP will, seek to syndicate a portion of the Primary Fund Investment to limit the Primary Fund's investment in such single investment to not more than \$15 million of the Primary Fund's aggregate committed capital. In connection with any such syndication, the Primary Fund will establish a subsidiary (each, an "**Investment Vehicle**") to hold the applicable Investment. With respect to each Investment Vehicle, the Primary Fund LPs, the Primary Fund GP and their respective affiliates will first be offered the right to invest in such Investment Vehicle and, if such parties do not elect to acquire the full amount of the Investment offered to the Investment Vehicle, then to third parties. Consequently, Primary Fund LPs will have some portfolio allocation control with regard to markets or transaction structures to the extent they elect to participate in one or more Investment Vehicles.²

² Please refer to Section V, "*Summary of Terms*" of the PPM for a detailed description of the Investment Vehicle investment process.

In addition to funded capital and capital provided by Investment Vehicles, the Primary Fund may obtain loans (“**Primary Fund Borrowings**”), which could be in the form of repurchase agreements, unfunded capital commitment credit facilities or asset specific borrowings, to leverage Primary Fund Investments. The Primary Fund will limit its Primary Fund Borrowings as follows: (i) an overall loan to value (excluding TALF securities) of 50%; (ii) a maximum of 65% loan to value on first mortgage loan assets; (iii) a maximum of 95% loan to value on TALF securities; (iv) unfunded capital commitment credit facilities not to exceed the greater of 10% of Primary Fund capital inclusive of the Primary Fund GP capital; and (v) a maximum loan to value of 50% on all other Primary Fund Investments.

In furtherance of the Adviser’s designation and appointment as the investment manager for the WSRE Fund, and in all cases subject to any limitations set forth in the WSRE Fund PPM, the Adviser is expected to have the power on behalf of and in the name of the WSRE Fund to carry out any and all of the objectives and purposes of the WSRE Fund and to perform all acts which it may deem necessary or desirable, including: (i) the sourcing, acquiring, managing, operating and disposing of WSRE Fund Investments for the WSRE Fund; and (ii) in connection with WSRE Fund assets, the power to purchase customary hedging instruments with respect to secured real estate borrowings designed to protect the WSRE Fund against adverse movements in interest rates, but not to speculate on an uncovered basis with respect to the foregoing or to trade in the foregoing.

Winthrop Capital Advisors is expected to have full discretionary authority over the assets of the WSRE Fund to operate within the parameters of the WSRE Fund PPM with respect to the WSRE Fund’s assets subject to the ongoing oversight and review of the WSRE Fund General Partner. Winthrop Capital Advisors will likewise have full discretionary authority over the assets of any Investment Vehicle, subject to the ongoing review and oversight of the general partner for any Investment Vehicle.

For further information about the WSRE Fund, including its structure and investment strategies, refer to the WSRE Fund’s PPM.

As of December 31, 2023, Winthrop Capital Advisors had approximately \$199,394,000.00 of regulatory assets under management (“**RAUM**”).

ITEM 5. FEES AND COMPENSATION

Winthrop Capital Advisors receives a Management Fee from each Fund as compensation for its advisory services, the terms of which are set forth in each Fund's offering documents. The management fee paid by each Fund is in the range of 1.0% to 1.25%. During a Fund's Investment Period, the fee is generally calculated on a basis of aggregate funded commitments made by investors to such Fund, subject to certain reductions as set forth in each Fund's offering documents. Investors in the Funds indirectly pay the management fees by way of capital contributions to the Funds. As more fully described below, while Winthrop Capital Advisors' Management fees are paid to it by the Funds it advises, these fees are debited by the general partner of each Fund from the accounts of those Fund limited partners who are not affiliates of the general partners.

Management Fees

As set forth in greater detail in Item 6 of this Brochure – *Performance-Based Fees and Side-by-Side Management*, the general partner of each Fund typically receives a performance-based profit allocation in the form of a “**carried interest**,” entitling it to a prescribed portion of a Fund's profits and distributions after each of the investors in the Fund have received a specified internal rate of return (such carried interest is generally referred to as a “**promote**” in real estate-related funds). Carried interest distributions may be made each time an investment is realized or on a different basis as agreed to between the Fund and its investors and as set forth in the offering documents of such Fund.

Our affiliates and certain of our employees and professionals invest in investment vehicles advised by us, including the Fund and the Investment Vehicles. When doing so, they are not subject to management fees on their direct or indirect investment in the Funds.

As previously described, from time to time WSRE Fund LPs will be offered the ability to co-invest in certain investment opportunities alongside the WSRE Fund. In such cases, the management fees charged to such existing investors (*i.e.*, the WSRE Fund LPs) may be less than the management fees we receive from new third-party investors also investing in the same investment. WSRE Fund LPs receive priority rights over new third-party investors with respect to co-investment opportunities based on objective criteria, and such priorities are disclosed in the offering documents for the WSRE Fund.

In consideration for our management of the WSRE Fund's assets, we are paid by the WSRE Fund, an annual Management Fee equal to 1.25% of: (i) aggregate commitments called/or deemed to be called by the WSRE Fund *less* (ii) the aggregate amount of distributions constituting returns of capital contributions in WSRE Fund Investments that have been disposed of, including those by Investment Vehicles. The Management Fee we are paid by the WSRE Fund may be subject to further reduction as described and provided for in the WSRE Fund Partnership Agreement.

The WSRE Fund Management Fee shall not be payable in respect of the WSRE Fund General Partner, its members and its affiliates and members thereof.

WINTHROP CAPITAL ADVISORS, LLC

We will also act as the investment manager for any WSRE Fund Investment Vehicles, and/or managing the assets acquired by those Funds, we shall be paid an annual Management Fee by each Investment Vehicle equal to 1% of: (a) the aggregate commitments called or deemed called by the Investment Vehicle *less* (b) the aggregate amount of distributions constituting returns of capital contributions invested in Investment Vehicles that have been disposed of.

The Management Fee for each Investment Vehicle shall not be payable in respect of the WSRE Fund, the General Partner, its members and its affiliates and members thereof.

The Management Fee we are paid by any Investment Vehicle may be subject to certain further reductions as described and provided for in the limited partnership agreement for each Investment Vehicle.

The Management Fees charged are generally not negotiable.

Carried Interest or Performance Fee

In addition to the Management Fees described above, each general partner of the WSRE Fund and of an Investment Vehicle will receive a “promote” or performance-based fee from the WSRE Fund and of an Investment Vehicle after such Fund’s limited partners have received a specified return, as further described in the WSRE Partnership Agreement and the Investment Vehicle limited partnership agreements. Refer also to Item 6 of this Brochure - *Performance-Based Fees and Side-by-Side Management*.

The “promote” or performance-based fees paid to each general partner of the WSRE Fund and an Investment Vehicle are generally not negotiable.

Affiliate Fees

Affiliates of the Adviser and/or the WSRE Fund General Partner and/or the general partner of any Investment Vehicle may be retained by the WSRE Fund or Investment Vehicle to provide each Fund, as appropriate, property management, construction management, construction oversight and construction development services, for which these affiliates shall be paid fees by the WSRE Fund and/or the Investment Vehicle, subject to the applicable terms of the WSRE Fund Partnership Agreement and/or each Investment Vehicle’s partnership agreement, as the case may be. The WSRE Fund and/or Investment Vehicle, as applicable, will be charged by these affiliates the fees incurred for such affiliate services, each as more particularly described in the offering documents for each Fund and our Management Agreement with the WSRE Fund and/or the Investment Vehicles we advise.

Other Costs and Expenses

A financing fee of 0.25% will be charged on all WSRE Fund and Investment Vehicle borrowings.

The WSRE Fund (and, therefore, the WSRE Fund LPs indirectly) will pay for or reimburse the WSRE Fund General Partner, Winthrop Capital Advisors and their respective affiliates for their payment of all

operating expenses related to the WSRE Fund in accordance with the terms and limitations set forth in the WSRE Fund Partnership Agreement.

Investment Vehicles (and, therefore, indirectly WSRE Fund LPs and third-party limited partners who invest therein) will pay for or reimburse their respective general partners, Winthrop Capital Advisors and their respective affiliates for their payment of all operating expenses related to each Investment Vehicle subject to the applicable terms and limitations set forth in the partnership agreement for each Investment Vehicle.

Payment of the Management Fees

Winthrop Capital Advisors' Management Fee charged to the WSRE Fund and each Investment Vehicle Fund shall be paid quarterly in arrears and shall be payable with respect to each WSRE Fund L.P. and Investment Vehicle limited partner that is not an affiliate of the WSRE Fund General Partner or an Investment Vehicle general partner. The initial installment of the Management Fee shall be paid on the first business day of the first full calendar quarter following the closing of the WSRE Fund's initial capital raise, or the first business day thereafter with subsequent installments to be paid on the first business day of each calendar quarter following such first installment or the first business day thereafter. Installments of the Management Fee payable for any period other than a full calendar quarter period, including the initial installment of the Management Fee, shall be adjusted on a *pro rata* basis according to the actual number of days in such period.

The Adviser's fees can be altered only with the mutual consent of Winthrop Capital Advisors and its clients.

Although Winthrop Capital Advisors does not deduct the Management Fee directly from Fund accounts, the Funds' general partners, which are affiliates of the Adviser, will deduct the allocable portion of the Adviser's Management Fee from the capital accounts of unaffiliated Fund limited partners, quarterly in arrears in accordance with each Fund's partnership agreement and each Fund's management agreement with Winthrop Capital Advisors.

Neither Winthrop Capital Advisors nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

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

In addition to the Management Fees paid to Winthrop Capital Advisors by the WSRE Fund and Funds established for Investment Vehicle, as described in Item 5 of this Brochure – *Fees and Compensation*, each general partner of an Investment Vehicle (which may be the same as the WSRE Fund General Partner) is entitled to receive from each such Investment Vehicle, a carried interest (promote) or performance-based fee from each Investment Vehicle based on the net investment revenues of each Investment Vehicle after each of the limited partners in such Fund has received a specified internal rate of return on capital contributions made to each such Investment Vehicle.

All performance-based fees charged are paid in accordance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”).

Investors in the Funds should be aware that performance-based fee arrangements may create an incentive for the Adviser to recommend investments that may be riskier or more speculative than those recommended to clients or investors subject to an asset-based or other non-performance fee arrangement, since its compensation is, in part, tied to the performance of Fund Investments. Moreover, this incentive should also be evaluated in view of the fact that: (i) the Adviser (who is an affiliate of the General Partner) will also serve as the investment manager not only for the WSRE Fund but also for funds organized as an Investment Vehicle; and (ii) the General Partner of the WSRE Fund (or an affiliate thereof) may also serve as the general partner for the Investment Vehicles.

Winthrop Capital Advisors may simultaneously manage multiple Funds, including the WSRE Fund and Funds established and to be established for Investment Vehicles, according to the same or a similar investment strategy (*i.e.*, side-by-side management). The simultaneous management of these different Funds (some of which are charged a performance fee or allocation as well as asset-based management fees) and the WSRE Fund which only charges asset-based management fees, creates certain conflicts of interest, as the fees for the management of certain clients may be higher than others.

Side-by-side management of portfolios with differing fee structures raise the possibility of preferential treatment of a portfolio or a group of portfolios. As a fiduciary, Winthrop Capital Advisors exercises due care to ensure that investment opportunities are allocated fairly and equitably over time among all suitable clients and in a manner that optimizes the investment opportunities for each client regardless of its fee structure. To address these potential conflicts, Winthrop Capital Advisors has implemented controls built on the general principle of treating all clients in a fair and equitable manner over time.

These potential conflicts are also addressed by the investment structure of the WSRE Fund and its Investment Vehicles. By design, the co-investment structure is intended to facilitate a blending of the benefits for an investor of both discretionary and elective investing. Specifically, while the WSRE Fund will invest a portion of its assets in Investment Vehicles, WSRE Fund LPs may elect (but are not required) to make a direct investment in one or more Investment Vehicles, thereby granting WSRE Fund LPs the ability to exercise portfolio allocation control as they see fit among investment opportunities charging performance-based fees. Likewise, third-party investors in Investment Vehicles also have the ability to elect whether or not to invest in one or more Investment Vehicles thereby exercising portfolio allocation control which can limit or expand such third-party investors’ payment of performance-based fees, as they deem appropriate.

Furthermore, all investment recommendations made by Winthrop Capital Advisors are subject to each Fund’s investment guidelines and objectives described in the operative documents for each Fund (*i.e.*, Fund limited partnership agreement, PPM, etc.) and the continuing review and oversight of each Fund’s general partner.

ITEM 7. TYPES OF CLIENTS

Generally, our clients are private equity funds or are organized in a similar fund structure for pooled investments in real estate-related investment opportunities. Our clients rely on certain exclusions and exceptions from the definition of “investment company” in the Investment Company Act of 1940, as amended (the “**Investment Company Act**”). Accordingly, none of our Fund clients are registered as investment companies with the SEC.

Winthrop Capital Advisors determines, in its sole discretion, any requirement for entering into an investment advisory contract with a Fund. Each of our clients, in turn, may impose their own requirements for investors, including minimum investment size and satisfaction of other relevant criteria, including requiring that each fund investor is both an “accredited investor” (defined in Regulation D under the Securities Act of 1933, as amended) and a “qualified purchaser” (defined in the Investment Company Act).

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

Below is a general summary of our methods of analysis, investment strategies and risks of loss. More information on each of the above can be found in the operative documents (*i.e.*, Fund limited partnership agreements, PPM, etc.) for each of our Fund clients, including, without limitation, those of the Primary Fund and the WSRE Fund.

Investment decisions of the Fund are executed by a team of senior real estate professionals (“Investment Committee” or “IC”) that have extensive experience in the analysis of both debt and equity real estate investments. The IC meets at least weekly to discuss its pipeline of potential investments. The IC gathers information on potential investments from existing owners, real estate brokers, lenders, peers and providers of market research. Such information consists of, among other things, a review of the company’s financial statements, comparisons with similar public and private companies and analyzing relevant industry data. The IC uses this information, together with its historical real estate experience, to make a determination of the value of the investment.

Prior to investing, the IC may examine any number of the following characteristics of a potential investment as part of the underwriting process:

- the location of the potential investment;
- the size of the investment and the potential return profile;
- the financial situation of the investment;
- general economic factors affecting the location of the investment;
- tax, accounting, regulatory and other legal issues; and
- capital structure and financing needs.

Once the IC has determined the value or range of values for the investment, the IC imposes its pricing on the asset which must comport with the Fund’s return requirements and is adjusted for the level of risk

involved in the investment. The IC's experience and constant market involvement provides it with the data which enables it to make informed pricing decisions based on real time transactional information.

Investment Strategies

As previously noted, Winthrop Capital Advisors manages the WSRE Fund and Investment Vehicles (collectively, the "**Investments**"), with the intention of carrying out the investment objective of the WSRE Fund to: (i) acquire or originate distressed real estate debt and quasi-debt instruments and interests including, mortgage loans, publicly traded CUSIP securities, mezzanine loans, B-Notes, single asset backed real estate securities (CMBS), preferred equity, as well as interests in each of the foregoing (e.g. participation interests); (ii) acquire platform investments in companies that invest in real estate debt or equity; and (iii) acquire opportunistically priced distressed real estate equity investments. The Primary Fund may also pursue activist strategies with respect to the foregoing. In all cases, the underlying real estate assets will comprise multi-family (both rental and condominium), retail, hospitality, office, gaming and fully entitled developments in the 25 largest Metropolitan Statistical Area and platform investments in companies that invest in real estate debt or equity and may pursue an activist strategy with respect to such investments. Where any single investment exceeds \$10 million, the WSRE Fund may, and where any single investment exceeds \$15 million, the WSRE Fund will, seek to syndicate a portion of the Investment to limit the WSRE Fund's investment in such single investment to not more than \$15 million of the WSRE Fund's aggregate committed capital. In connection with any such syndication, an Investment Vehicle will be established to venture with the WSRE Fund (each such venture, an "**Investment Vehicle**") to hold the applicable Investment. With respect to each Investment Vehicle, the WSRE Fund LPs, the WSRE Fund General Partner and their respective affiliates will first be offered the right to invest in such Investment Vehicle and, if such parties do not elect to acquire the full amount of the Investment offered to the Investment Vehicle, then to third parties.

The Adviser's investment strategies will include:

- identifying and evaluating Investments for the WSRE Fund and Investment Vehicles;
- analyzing and investigating potential dispositions of Investments;
- supervising the preparation and review of all documents required in connection with the acquisition, disposition, financing or restructuring of Investments;
- monitoring the performance of Investments; and
- in connection with Investments, purchasing customary hedging instruments with respect to secured real estate borrowings designed to protect the Funds against adverse movements in interest rates, but not intended to speculate on an uncovered basis with respect to the foregoing or to trade in the foregoing.

RISK OF LOSS AND RISKS RELATING TO AN INVESTMENT IN THE WSRE FUND AND INVESTMENT VEHICLES GENERALLY

The WSRE Fund PPM includes extensive disclosures regarding potential material risks involved with investing in the WSRE Fund and/or Investment Vehicle. We urge all potential investors (direct or indirect), WSRE Fund LPs and third-party investors in each of the Funds to carefully review the relevant offering materials for each Fund. The summary below is not an exhaustive list of potential risks (nor is it a full description of each type of risk) of which each Fund (and its investors) should be aware. As a result of the factors below, and other risks inherent in any investment, there can be no assurance, and none is given, that a client's investment objectives will be achieved, or that a client or any investor in a client will receive any return of, or on, its invested capital.

The investment strategies of Winthrop Capital Advisors employed with respect to the WSRE Fund and Investment Vehicles pose the following material risks and conflicts of interests to these Funds and Fund investors. Investing in securities such as the assets managed by the Advisor in the WSRE Fund, the Investment Vehicles or other Funds managed by the Advisor and investing in the Funds themselves, involves a risk of loss. Investors in the WSRE Fund and Investment Vehicle investments should be prepared to bear the risk of loss.

No Assurance of Investment Return. The Primary Fund GP cannot provide assurance that it will be able to source, choose, make and realize on Primary Fund Investments. There can be no assurance that the Primary Fund will be able to generate returns for its Primary Fund LPs or that the returns will be commensurate with the risks of investing in the types of investments and transactions described herein. There can be no assurance that any Primary Fund LP will receive any distribution from the Primary Fund. Accordingly, an investment in the Primary Fund should only be considered by persons that can afford a loss of their entire investment. Past activities of investment entities associated with the investment team provide no assurance of future success.

Reliance on the Primary Fund GP, Principals and Key Employees. The Primary Fund GP will generally jointly make decisions with respect to the Primary Fund. The success of the Primary Fund will depend on the ability of the Primary Fund GP to identify and consummate suitable Targeted Investments, to improve the operating performance of assets foreclosed upon and to dispose of Primary Fund Investments at a profit. In addition, the success of the Primary Fund is substantially dependent on Michael L. Ashner and other members of the Winthrop Team. Any of these individuals could be difficult to replace. Thus, should one or more of these individuals become incapacitated or in some other way cease to participate in the Primary Fund, the Primary Fund's performance could be adversely affected.

Absence of Operating History; Historical Performance Data and Projections; Forward Looking Statements. The Primary Fund and the Primary Fund GP are newly formed entities and have no prior operating history upon which an investor can base its prediction of future success or failure. The Winthrop Team, however, has a prior operating history which is attached as Exhibit A to the PPM. PAST PERFORMANCE OF THE WINTHROP TEAM SHOULD NOT BE ASSUMED TO IMPLY OR PREDICT, DIRECTLY OR INDIRECTLY, ANY LEVEL OF FUTURE PERFORMANCE OF ANY INVESTMENT, AND ANY INVESTMENT MAY EXPERIENCE FAILURES OR SUBSTANTIAL DECLINES IN VALUE RESULTING IN THE LOSS OF SOME OR ALL OF AN INVESTMENT.

The PPM and other information prepared by or on behalf of the Primary Fund GP regarding the Primary Fund's contemplated future investments contain forward looking statements. While the Primary Fund GP believes the expectations reflected in any forward looking statements are reasonable, no assurance can be given that such expectations can be obtained. Factors that could cause actual results to differ materially from the Primary Fund GP's expectations include each of the various risk factors identified herein. The Primary Fund LPs have each been given the opportunity to review such statements in detail, to discuss the same with the Primary Fund GP and to satisfy themselves as to the information contained therein. The Primary Fund GP and the Primary Fund make no commitment to disclose any revisions to such statements, or any facts, events or circumstances after the date of the PPM that may bear upon any such statements.

Illiquid and Long-Term Investments. Investment in the Primary Fund requires a long-term commitment, with no certainty of return. Many of the Primary Fund Investments will be highly illiquid, and there can be no assurance that the Primary Fund will be able to realize such Primary Fund Investments in a timely manner. Although Primary Fund Investments may generate some current income, the return of capital and the realization of gains, if any, from a Primary Fund Investment will generally occur only upon the partial or complete disposition (which may include a Syndication) or refinancing of such Primary Fund Investment. While a Primary Fund Investment may be sold at any time, no assurances can be given as to the anticipated timeframe within which this will occur after the Primary Fund Investment is made.

Risk of Limited Number of Primary Fund Investments. The Primary Fund may participate in a limited number of Primary Fund Investments and, as a consequence, the aggregate return of the Primary Fund may be substantially adversely affected by the unfavorable performance of even a single Primary Fund Investment. Other than as set forth in Section V, "Summary of Terms – Investment Limitations" of the PPM, Primary Fund LPs have no assurance as to the degree of diversification in the Primary Fund Investments or asset type underlying the Primary Fund Investments other than that they will be limited to Targeted Investments. Because the Primary Fund generally expects to acquire investments in discrete transactions, these diversification risks may be amplified during the initial portion of the Primary Fund's Investment Period.

No Assurance as to Total Commitments. The Primary Fund is targeting a maximum of \$250 million of Commitments, including a 10% commitment from the Primary Fund GP up to \$15,000,000. However, the Primary Fund GP is permitted to have an initial closing upon receipt of \$100 million of Commitments, including the Primary Fund GP and Initial Primary Fund LP's commitment.

No Assurance of Ability to Syndicate Investments; Investment Vehicles' Impact on Primary Fund LPs. Although the Primary Fund GP expects to syndicate a portion of Primary Fund Investments through

Investment Vehicles as described in Section VI, “*Summary of Terms – Syndication Opportunities*” of the PPM, there can be no assurance that Primary Fund LPs, their affiliates, and/or Third Party Investors will subscribe or fully subscribe for interests in such Investment Vehicle. Therefore, the Primary Fund may hold a larger portion of one or more Investments than the Primary Fund GP anticipated if the Syndication Participation Amount was fully subscribed. This may result in the Primary Fund Investments being more concentrated in Investments that were not fully syndicated and may result in constraints on the amount and number of additional Primary Fund Investments the Primary Fund may make.

On the other hand, in the event an Investment is syndicated, the Primary Fund will have its initial ownership interest in that Investment reduced by the Syndication Participation Amount thus reducing the Primary Fund LP’s interest in such Investment held through the Primary Fund. Furthermore, although investors in an Investment Vehicle will contribute their *pro rata* share of previously made capital contributions (plus, in certain instances, an additional amount as set forth in Section VI, “*Summary of Terms-Investment Vehicles, Syndication Opportunities*” of the PPM) to be paid to the Primary Fund, there can be no assurance that this payment will reflect the fair value of the existing Investment at the time any such investor subscribes for interests in such Investment Vehicle.

In addition, it is possible the investors in each Investment Vehicle may receive governance rights with respect to certain aspects of the Investment held directly or indirectly by such Investment Vehicle.

Investment Vehicle Allocations. As described in Section V. “*Summary of Terms – Investment Vehicles – Syndication Opportunities*” of the PPM, the Primary Fund GP is obligated to refer certain investment opportunities to the Primary Fund LPs. The Primary Fund GP and its affiliates will contribute no less than 2.5% of the amount to be contributed to each Investment Vehicle and the Initial Primary Fund LP will have the right to contribute up to 47.5% of the amount to be contributed to each Investment Vehicle. Accordingly, the other Primary Fund LPs may not be able to contribute to an Investment Vehicle an amount equal to their percentage interest in the Primary Fund.

In addition, under certain circumstances, including without limitation insufficient participation by Primary Fund LPs, the Primary Fund GP may have discretion in the allocation of investment and co-investment opportunities and may have discretion over the terms on which certain opportunities are offered to Primary Fund LPs and/or third parties. Under these circumstances, the Primary Fund GP has the discretion to grant co-investment rights and to determine the terms of any co-investment by third parties alongside the Primary Fund, the Investment Vehicle or an Investment, and the terms on which such co-investors may co-invest in an investment opportunity may, subject to certain limitations, be substantially different, and potentially more favorable, than the terms on which the Primary Fund invests.

Although it is expected that the Primary Fund, subject to legal, tax, regulatory or other considerations, when it co-invests with an Investment Vehicle or other co-investors, generally will dispose of its interests in an Investment in the same proportion as, and on the same terms as, the Investment Vehicle or other co-investors dispose of their interests in such investment as determined by the Primary Fund GP in its sole discretion, there can be no assurance that the interests in an Investment held by the Primary Fund will be harvested on as favorable terms as the interests in such investment held by the Investment Vehicle or other co-investors.

Geographic Concentration Risk. The Primary Fund will focus its investments solely in the United States, and therefore will be particularly vulnerable to events affecting companies and assets in the U.S. The economy of the U.S. is influenced by the economic and market conditions in other countries and events in other regions can have adverse effects on the securities of companies and the value of assets in the United States. The Primary Fund's performance may be worse than the performance of other funds that invest more broadly geographically.

Investments Longer Than the Primary Fund's Term. The Primary Fund may invest in Targeted Investments that may not be advantageously disposed of prior to the date that the Primary Fund will be dissolved, either by expiration of the Primary Fund's term or otherwise. Although the Primary Fund GP expects that Primary Fund Investments will either be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, the Primary Fund may have to sell, distribute or otherwise dispose of Primary Fund Investments at a disadvantageous time as a result of dissolution. Furthermore, because the management fee continues to apply until the Primary Fund's completion of its dissolution and liquidation, the Primary Fund GP may have a conflict of interest in selecting investments for the Primary Fund or in declining to cause the Primary Fund to sell investments prior to completion of the Primary Fund's term.

Future Primary Fund Investments Unspecified. As of the date of the PPM, except for the 625 Subparticipation, the Primary Fund GP has not identified investment opportunities for the totality of the Commitments, and no assurance can be given that the Primary Fund GP will be able to identify investment opportunities for the Primary Fund. Primary Fund LPs will be relying on the ability of the Primary Fund GP to identify suitable Targeted Investments and the ability of the Primary Fund GP to select all of the Primary Fund Investments to be made using the capital available to the Primary Fund.

Target Returns Net of Fees and Expenses. The Primary Fund is targeting a blended net internal rate of return on the portfolio-level similar to the past performance of the Winthrop Team for Targeted Investments. This targeted internal rate of return of the Primary Fund is net of management fees and other fees and expenses allocable to an investment in the Primary Fund. Target returns are not intended to be projected returns. Actual events are difficult to predict and results could be adversely affected by a number of factors including changes in interest rates, domestic and international business conditions and markets or financial or legal uncertainties. THERE CAN BE NO ASSURANCE THAT THE PRIMARY FUND WILL ACHIEVE THESE OR ANY OTHER PARTICULAR LEVEL OF RETURNS.

Restrictions on Transfer and Withdrawal Limited. Interests have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), the securities laws of any U.S. state, or the securities laws of any other jurisdiction, and therefore, cannot be sold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. It is not expected that registration under the Securities Act or other securities laws will occur. Interests may only be offered, sold or transferred to individuals or entities who or which are qualified investors under applicable securities laws. Furthermore, there is no public market for the Interests and none is expected to develop. Each Primary Fund LP will be required to represent that it is a qualified investor under applicable securities laws and that it is acquiring its Interest for investment purposes and not with a view to resale or distribution and that it will only sell and transfer its Interest to a qualified investor under applicable securities laws or in a manner permitted by the Partnership Agreement and consistent with such laws. Each Primary Fund LP must be prepared to bear the economic risk of an

investment for an indefinite period of time. A Primary Fund LP will not be permitted to assign, sell, exchange or transfer any of its interest, rights or obligations with respect to its Interest, except by operation of law, without the prior written consent of the Primary Fund GP, which consent may be withheld as described elsewhere in the PPM. Voluntary withdrawals from the Primary Fund will generally not be permitted.

Concentration of Interests. The interests in the Primary Fund and Investment Vehicles may be held by relatively few investors with substantial investments in the Primary Fund and/or any Investment Vehicles, and voting power may be concentrated in a relatively small number of investors. Such investors generally will be permitted to vote or consent on matters of the Primary Fund that are presented to the Primary Fund LPs or to the limited partners in the applicable Investment Vehicle in their sole discretion. Accordingly, such Primary Fund LPs or the limited partners in the applicable Investment Vehicle will have the ability to grant or withhold consent to actions that require the approval of the holders of a majority or more of the interests in the Primary Fund or an Investment Vehicle, as applicable. In particular, concentrated voting power held by the limited partners in the applicable Investment Vehicle may cause the applicable Investment Vehicle to take or refrain from taking certain actions, and to concurrently cause the Primary Fund to drag-along and tag-along with such actions, including directed sales, financings and refinancings as described in *Section VII. "Risk Factors and Potential Conflicts of Interest – Risk Relating to an Investment in the Primary Fund Generally-No Assurance of Ability to Syndicate Investments; Investment Vehicles' Impact on Primary Fund LPs"* of the PPM. As a result, it may be possible for one or a small group of investors to heavily influence or control any vote of the Primary Fund LPs or the limited partners in the applicable Investment Vehicle, or for parties that may be subject to any conflicts of interest to determine the outcome of conflicted events in relation to the Primary Fund. It is expected that the Initial Primary Fund LP will hold up to a 40% interest in the Primary Fund and up to a 47.5% interest in Investment Vehicles. As such it is possible that the Initial Primary Fund LP will have the right to heavily influence or control the vote of the Primary Fund LPs and/or the limited partners in the applicable Investment Vehicle.

Failure to Fund Commitments, Consequences of Default. If a Primary Fund LP fails to pay installments of its Commitment when due, and any contributions made by non-defaulting Primary Fund LPs and any borrowings by the Primary Fund are inadequate to cover the defaulted capital contribution, the Primary Fund may be unable to meet its obligations when due. As a result, the Primary Fund may be subjected to significant penalties that could limit opportunities for investment diversification and materially adversely affect the returns of the Primary Fund LPs (including non-defaulting Primary Fund LPs). If a Primary Fund LP defaults, it may be subject to various penalties as provided in the Partnership Agreement, including dilution of its Interest at a rate of 2% of such Interest per month.

Lack of Management Rights. Primary Fund LPs will have no opportunity to control the day-to-day operation, including investment and disposition decisions, of the Primary Fund. The Primary Fund GP and affiliates will generally have sole and absolute discretion in structuring, negotiating and purchasing, financing and eventually divesting Primary Fund Investments on behalf of the Primary Fund (subject to specified exceptions in the Partnership Agreement). Consequently, the Primary Fund LPs may generally not be able to evaluate for themselves the merits of particular Primary Fund Investments prior to the Primary Fund making such Primary Fund Investments.

Potential Delegation of Day-to-Day Activities to Third Parties or Joint Venture Partners. Although the Primary Fund GP will seek to retain control over Primary Fund Investments held in joint ventures, the Primary Fund may delegate certain day-to-day operations to third party corporate management teams, joint venture partners and/or third party managers. There can be no assurance that such management teams, joint venture partners or managers will be able to operate and manage such delegated day-to-day duties successfully.

Financial Market Fluctuations. General fluctuations in interest rates and the market prices of securities and other assets may adversely affect the value of the Investments. Instability in interest rates and the securities markets may also increase the risks inherent in the Investments. For example, the ability of a particular issuer to refinance debt securities may depend on its ability to sell new securities in the debt and equity markets, to borrow from banks or other factors. In addition, there can be no assurance that financing and debt may be available and/or may only be available on less than favorable terms.

General Economic Conditions. The real estate industry generally and the success of the Primary Fund's investment activities in particular will both be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in applicable laws, rules and regulations (including laws, rules and regulations relating to taxation of the Primary Fund Investments), and national and international political, environmental and socioeconomic circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Primary Fund's investments, which could impair the Primary Fund's profitability or result in losses. In addition, such changes in general economic conditions may affect the Primary Fund's investment activities. Interest rates, general levels of economic activity, the price of securities, the price of commodities, the rate of inflation and participation by other investors in the financial markets may affect the value and number of Primary Fund Investments made by the Primary Fund or considered for prospective investment. The Primary Fund's investment strategy and the availability of opportunities satisfying the Primary Fund's risk-adjusted return parameters relies, in part, on the continuation of certain trends and conditions observed in the market for real estate-related investments and in some cases the improvement or deterioration (with respect to distressed opportunities) of such conditions. No assurance can be given that such conditions, trends or opportunities will arise or continue, as applicable.

Constraints on the Primary Fund's Ability to Make Distributions to the Partners. Some, if not all, of the Primary Fund Investments will depend on borrowers making debt service payments on the Investment and, if the Primary Fund becomes the owner of collateral for a loan, the operations of the underlying real estate owned property, to enable the Primary Fund to make distributions to Partners. To the extent that such borrowers do not have sufficient cash flow to make debt service payments or real estate owned properties do not generate cash flow, it will impair the cash potentially available for distribution to the Primary Fund for distribution to the Partners.

Contingent Liabilities on Disposition of Primary Fund Investments. In connection with the disposition of a Primary Fund Investment, the Primary Fund may be required to make representations about such Primary Fund Investment. The Primary Fund also may be required to indemnify the purchasers of such Primary Fund Investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the Primary Fund GP may or may not establish reserves or escrow accounts. Primary Fund LPs may be required to return amounts distributed

to them to fund obligations of the Primary Fund, including indemnity obligations, subject to certain limitations set forth in the Partnership Agreement.

Recycling; Reinvestment. Under certain circumstances, sale and refinancing proceeds, amounts received on account of an Investment Vehicle's investment in a previously acquired Primary Fund Investment that is syndicated through an Investment Vehicle, or other capital proceeds, may, in the discretion of the Primary Fund GP, be retained and reinvested (or recalled for reinvestment) by the Primary Fund GP or used (or recalled for use) by the Primary Fund GP for any other proper purpose, although the Primary Fund GP may not recycle capital proceeds more than six months following the expiration of the Investment Period nor recycle at any time income from operating cash flow or interest income as described in Section V, "*Summary of Terms – Recycling*" of the PPM. Accordingly, a Partner may be required to fund for Primary Fund Investments an aggregate amount in excess of its Commitment through six months following the expiration of the Investment Period, and to the extent such recalled or retained amounts are reinvested in Primary Fund Investments, a Partner will remain subject to investment and other risks associated with such Primary Fund Investments.

Indemnification and Exculpation. The Primary Fund is subject to certain indemnification and exculpation obligations as described in Section V, "*Summary of Terms – Indemnification; Exculpation*" of the PPM. Certain exculpation provisions contained in the Partnership Agreement will limit the rights of action otherwise available to the Primary Fund LPs and other parties against the Primary Fund GP, Winthrop and certain of their affiliates. As a result, Primary Fund LPs may have a more limited right of action in certain cases than they would in the absence of such limitations. In addition, the Primary Fund will indemnify the Primary Fund GP, Winthrop and certain of their affiliates for certain losses or damage incurred by them in connection with the Primary Fund's business to the extent set forth in the Partnership Agreement.

Business and Regulatory Risks of Private Investment Funds. Legal, tax and regulatory changes could occur during the term of the Primary Fund that may adversely affect the Primary Fund, its investment results and/or some or all of the Partners. The regulatory environment for private investment funds is evolving, and changes in regulation may adversely affect the value of the Primary Fund Investments and the ability of the Primary Fund to pursue its investment objective. In that regard, the Primary Fund may be adversely affected as a result of new or revised legislation, or regulations imposed by the SEC, IRS, other U.S. or non-U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. The Primary Fund or some or all of the Partners also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with any new laws or regulations could be more difficult and expensive, and may affect the manner in which the Primary Fund conducts business. New laws or regulations may also subject the Primary Fund or some or all of the Partners to increased taxes or other costs. The effect of any future regulatory change on the Primary Fund could be substantial and adverse.

RISKS RELATING TO INVESTMENT ACTIVITIES

COVID19 and Other Pandemics. As noted below, the Primary Fund will rely on the ability of its borrowers to make debt service payments on the Primary Fund's investments or, in the case of owned real estate, the operations of the underlying properties. If a further outbreak of COVID19 or another pandemic were to occur that results in "stay at home" orders and other closures comparable to those which have been experienced from the initial COVID19 outbreak in the United States, such events will likely have a negative impact on the Primary Fund's then current investments in various ways, including, among other factors:

- decline in the value of commercial and residential real estate, which negatively impacts the value of the Primary Fund's Investments.
- negative impact on the financial stability of borrowers underlying the Primary Fund Investments which will result in an increase in delinquent or defaulted loans and workouts.
- general decline in business activity and demand for mortgage financing, servicing and other real estate and real estate-related transactions, which could adversely affect the Primary Fund's ability to make new investments or to redeploy the proceeds from repayments of existing investments.
- temporary, prolonged or permanent changes involving the Primary Fund's investment activities; to the extent the Primary Fund GP elects or is required to limit or be more selective in making investments.
- strain on relationships or reputation with borrowers, business partners and counterparties, breach actual or perceived obligations to them, or be subject to litigation and claims from such borrowers, business partners and counterparties.
- prolonged closures of, or other operational issues at, properties that secure the Primary Fund's investments, or properties owned by the Primary Fund.
- government-mandated moratoriums on the construction, development or redevelopment of properties underlying the Primary Fund's investment may prevent the completion, on a timely basis or at all, of such projects. Certain of such projects may rely on tax credits which may be available only if construction is completed by certain deadlines, which may not be met because of such moratoriums.

Primary Fund Investments are Subject to Delinquency, Foreclosure and Loss. Commercial real estate debt instruments, such as mortgage loans, that are secured or, in the case of certain assets (including participation interests, mezzanine loans and preferred equity), supported by commercial property, are subject to risks of delinquency and foreclosure and risks of loss that are greater than similar risks associated with loans made on the security of single-family residential property. The ability of a borrower to pay the principal of and interest on a loan secured by an income-producing property typically is dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower's ability to pay the principal of and interest on the loan in a timely manner, or at all, may be impaired and therefore could reduce the Primary Fund's return from an affected property or investment, which could materially and adversely affect the return to Primary Fund LPs. Net operating income of an income-producing property may be adversely affected by the risks particular to commercial real property described above, as well as, among other things, tenant mix, tenant financial strength, property

management decisions, property locations, condition and age, and competition from comparable properties.

The Primary Fund may Originate and Acquire Bridge Loans. The Primary Fund may seek to acquire and originate bridge loans secured by first lien mortgages on commercial real estate. These loans provide interim financing to borrowers seeking short-term capital for the acquisition or transition (for example, lease up and/or rehabilitation) of commercial real estate and generally have a maturity of three years or less. A borrower under a bridge loan has usually identified an asset that has been under-managed and/or is located in a recovering market. If the market in which the asset is located fails to recover according to the borrower's projections, or if the borrower fails to improve the operating performance of the asset or the value of the asset, the borrower may not receive a sufficient return on the asset to satisfy the bridge loan, and the Primary Fund may not recover some or all of its investment.

In addition, borrowers usually use the proceeds of a conventional mortgage loan to repay a bridge loan. The Primary Fund may therefore be dependent on a borrower's ability to obtain permanent financing, or another bridge loan, to repay a bridge loan, which could depend on market conditions and other factors. In the event of any failure to repay a bridge loan, the Primary Fund will bear the risk of loss of principal and non-payment of interest and fees to the extent of any deficiency between the value of the mortgage collateral and the principal amount and unpaid interest of the bridge loan.

Competition for Targeted Investments. The Primary Fund competes for Targeted Investments with a variety of institutional and non-institutional investors, including REITs, debt funds, specialty finance companies, savings and loan associations, banks, mortgage bankers, insurance companies, mutual funds, institutional investors, investment banking firms, financial institutions, private equity and hedge funds, governmental bodies and other entities. Many of the Primary Fund's competitors are substantially larger and have considerably greater financial, technical and marketing resources than the Primary Fund does. Some of the Primary Fund's competitors may have a lower cost of funds and access to funding sources that may not be available to the Primary Fund or are only available to the Primary Fund on substantially less attractive terms. Many of the Primary Fund's competitors are not subject to the operating constraints associated with maintenance of an exclusion or exemption from the Investment Company Act. In addition, some of the Primary Fund's competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more lending relationships than the Primary Fund does. Competition may result in realizing fewer investments, higher prices, acceptance of greater risk, greater defaults, lower yields or an increase in the Primary Fund's borrowing costs. In addition, competition for attractive investments could delay the investment of the Primary Fund's capital. Furthermore, changes in the financial regulatory regime could decrease the restrictions on banks and other financial institutions and allow them to compete with us for investment opportunities that were previously not available to, or otherwise pursued by, them. Changes in laws or regulations governing the Primary Fund's operations, changes in the interpretation thereof or newly enacted laws or regulations and any failure by the Primary Fund to comply with these laws or regulations could materially and adversely effect on the Primary Fund.

As a result, competition will limit the Primary Fund's ability to acquire or originate attractive investments in the Primary Fund's target assets and could result in reduced returns. The Primary Fund GP can provide no assurance that the Primary Fund will be able to identify and acquire or originate attractive investments that are consistent with the Primary Fund's investment strategy.

Investment Concentration. The Primary Fund has limited diversification criteria. While the Primary Fund's approach in pursuing Targeted Investments is expected to be consistent with the Winthrop Team's past pattern of investing, there is no requirement to allocate the Primary Fund Investments among the various types of Targeted Investments or the collateral underlying the Targeted Investments. Therefore, the real estate underlying the Primary Fund's investments may be concentrated in certain property types that may be riskier by nature or concentrated in a limited number of geographic locations. Although the Primary Fund GP will attempt to mitigate the Primary Fund's risk through various credit and structural protections, there can be no assurance that these efforts will be successful. To the extent that the Primary Fund's portfolio is concentrated in any one region or type of asset, downturns relating generally to such region or type of asset may result in a loss of a number of the Primary Fund's investments within a short time period, which would likely reduce the return to Primary Fund LPs.

Non-recourse Nature of the Primary Fund Investments. Except for customary nonrecourse carve-outs for certain actions and environmental liability, most commercial real estate loans are nonrecourse obligations of the Primary Fund GP and borrower, meaning that there is no recourse against the assets of the borrower or Primary Fund GP other than the underlying collateral. In the event of any default under a commercial real estate loan held directly by the Primary Fund or in which the Primary Fund holds a direct or indirect beneficial interest, the Primary Fund will bear a risk of loss to the extent of any deficiency between the value of the collateral and the principal of and accrued interest on such debt instrument, which could materially and adversely affect the return to Primary Fund LPs.

Lack of Control by the Primary Fund Over Certain Investments. The Primary Fund's ability to manage its portfolio may be limited by the form in which its investments are made. In certain situations, the Primary Fund may:

- acquire loans, CMBS securities or investments subject to rights of senior classes, servicers or collateral managers under intercreditor or servicing agreements or securitization documents;
- pledge the Primary Fund's investments as collateral for financing arrangements;
- acquire only a minority and/or a non-controlling participation in an underlying loan or asset;
- co-invest with others through partnerships, joint ventures or other entities, thereby acquiring non-controlling interests; or
- rely on independent third party management or servicing with respect to the management of an asset.

Therefore, the Primary Fund may not be able to exercise control over all aspects of the Primary Fund's loans and investments. Such financial assets may involve risks not present in investments where senior creditors, junior creditors, servicers or third party controlling investors are not involved. The Primary Fund's rights to control the process following a borrower default may be subject to the rights of senior or junior creditors or servicers whose interests may not be aligned with ours. A partner or co-venturer may have financial difficulties resulting in a negative impact on such asset, may have economic or business interests or goals that are inconsistent with ours, or may be in a position to take action contrary to the Primary Fund's investment objectives. In addition, the Primary Fund may, in certain circumstances, be liable for the actions of its partners or co-venturers.

Loan Participations Present Additional Risks. The Primary Fund may invest in loan participation interests in which the Primary Fund will share with another lender or lenders the rights, obligations and

benefits of a commercial mortgage loan made by an originating lender to a borrower. Accordingly, the Primary Fund may not be in privity of contract with a borrower because the other lender or participant is the record holder of the loan and, therefore, the Primary Fund will not have any direct right to any underlying collateral for the loan. These loan participations may be senior, *pari passu* or junior to the interests of the other lender or lenders in respect of distributions from the commercial mortgage loan. Furthermore, the Primary Fund may not be able to control the pursuit of any rights or remedies under the commercial real estate loan, including enforcement proceedings in the event of default thereunder. In certain cases, the original lender or another participant may be able to take actions in respect of the commercial real estate loan that are not in the Primary Fund's best interests. In addition, in the event that (1) the owner of the loan participation interest does not have the benefit of a perfected security interest in the lender's rights to payments from the borrower under the commercial mortgage loan or (2) there are substantial differences between the terms of the commercial real estate loan and those of the applicable loan participation interest, such loan participation interest could be recharacterized as an unsecured loan to a lender that is the record holder of the loan in such lender's bankruptcy, and the assets of such lender may not be sufficient to satisfy the terms of such loan participation interest. Accordingly, the Primary Fund may face greater risks from loan participation interests than if the Primary Fund owned the real estate loan directly.

Subordinated Investments such as Mezzanine loans, B-Notes, Participations and Preferred Equity Involve Risk. The Primary Fund will seek to acquire and originate mezzanine loans, B-Notes and other investments that are subordinated or otherwise junior in an issuer's capital structure, such as preferred equity, and that involve privately negotiated structures. To the extent the Primary Fund invests in subordinated debt or preferred equity, such investments and the Primary Fund's remedies with respect thereto, including the ability to foreclose on any collateral securing such investments, will be subject to the rights of holders of more senior tranches in the issuer's capital structure and, to the extent applicable, contractual co-lender, intercreditor, and/or participation agreement provisions, which will expose the Primary Fund to greater risk of loss. As the terms of such loans and investments are subject to contractual relationships among lenders, co-lending agents and others, they can vary significantly in their structural characteristics and other risks. That is, the rights on foreclosure or loan modifications may not be subject to the Primary Fund's control. Further, subordinated investments are, by their nature, structurally subordinated to more senior property-level financings. Therefore, if a borrower defaults on a subordinate investment or on debt senior to the Primary Fund's loan, or if the borrower is in bankruptcy, the Primary Fund's Investment will be satisfied only after all debt senior to the Investment is paid in full. As a result, a partial loss in the value of the underlying collateral can result in a total loss of the value of the subordinate Investment. In addition, even if the Primary Fund is able to foreclose on the underlying collateral following a default on a subordinate Investment, the Primary Fund would be substituted for the defaulting borrower and, to the extent income generated on the underlying property is insufficient to meet outstanding senior debt obligations, the Primary Fund may need to commit substantial additional capital and/or deliver a replacement guarantee by a creditworthy entity, which could include the Primary Fund, to preserve the existing senior debt, stabilize the property and prevent additional defaults to senior lenders.

Construction Loans. While the Primary Fund will not originate new construction loans, it may acquire existing construction loans or participations therein. If the Primary Fund fails to fund its entire commitment on a construction loan or if a borrower otherwise fails to complete the construction of a project, there could be adverse consequences associated with the loan, including, but not limited to: a loss

of the value of the property securing the loan, especially if the borrower is unable to raise funds to complete construction from other sources; a borrower claim against the Primary Fund for failure to perform under the loan documents; increased costs to the borrower that the borrower is unable to pay; a bankruptcy filing by the borrower; and abandonment by the borrower of the collateral for the loan.

In addition, the renovation, refurbishment or expansion by a borrower of a property involves risks of cost overruns and non-completion. Costs of construction or renovation to bring a property up to market standards for the intended use of that property may exceed original estimates, possibly making a project uneconomical. Other risks may include environmental risks, permitting risks, other construction risks, and subsequent leasing of the property not being completed on schedule or at projected rental rates. If such construction or renovation is not completed in a timely manner, or if it costs more than expected, the borrower may experience a prolonged reduction of net operating income and may be unable to make payments of interest or principal to the Primary Fund.

Non-investment Grade Rated Investments Involve an Increased Risk of Default and Loss. Many of the Primary Fund's investments may not conform to conventional loan standards applied by traditional lenders and either will not be rated (as is often the case for private loans) or will be rated as non-investment grade by the rating agencies. As a result, these investments should be expected to have an increased risk of default and loss compared to investment-grade rated assets. Any loss the Primary Fund incurs may be significant. The Primary Fund's investment guidelines do not limit the percentage of unrated or non-investment grade rated assets the Primary Fund may hold in its portfolio.

CMBS Investments are Subject to Losses. Investments in CMBS are subject to losses. In general, losses on a mortgaged property securing a mortgage loan included in a securitization will be borne first by the equity holder of the property, then by a cash reserve fund or letter of credit, if any, then by the holder of a mezzanine loan or B-Note, if any, then by the "first loss" subordinated security holder (generally, the "B-Piece" buyer) and then by the holder of a higher-rated security. In the event of default and the exhaustion of any equity support, reserve fund, letter of credit, mezzanine loans or B-Notes, and any classes of securities junior to those in which the Primary Fund may invest, the Primary Fund will not be able to recover all of its investment in the securities it purchases. In addition, if the underlying mortgage portfolio has been overvalued by the originator, or if the values subsequently decline and, as a result, less collateral is available to satisfy interest and principal payments due on the related CMBS, there would be an increased risk of loss. The prices of lower credit quality securities are generally less sensitive to interest rate changes than more highly rated investments, but more sensitive to adverse economic downturns or individual issuer developments.

Distressed and Non-performing Commercial Loans have Increased Risks. The Primary Fund expects to invest in distressed and non-performing commercial real estate loans, which are subject to increased risks of loss. Such loans may be or become non-performing for a variety of reasons, including, without limitation, because the underlying property is too highly leveraged or the borrower falls upon financial distress, in either case, resulting in the borrower being unable to meet its debt service obligations. Such loans may require a substantial amount of workout negotiations and/or restructuring, which may divert the attention of the Primary Fund GP from other activities and may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of the loan. Moreover, the ability to implement a successful restructuring entails a high degree of uncertainty, and the Primary Fund GP may not be able to implement any such restructuring on favorable terms or at all.

The financial or operating difficulties relating to the distressed or non-performing loan may never be overcome and may cause the borrower to become subject to bankruptcy or other similar administrative proceedings. In connection with any such proceeding, the Primary Fund may incur substantial or total losses on its investments and may become subject to certain additional potential liabilities that may exceed the value of its original investment therein. For example, under certain circumstances, a lender that has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to the Primary Fund may be reclaimed if any such payment is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws.

Alternatively, the Primary Fund GP may find it necessary or desirable to foreclose on one of these loans, and the foreclosure process may be lengthy and expensive. Borrowers or junior lenders may resist mortgage foreclosure actions by asserting numerous claims, counterclaims and defenses against us as well as filing for bankruptcy protection. Any costs or delays involved in the effectuation of a foreclosure of the loan or a liquidation of the underlying property, or defending challenges brought after the completion of a foreclosure, may reduce the proceeds to the Primary Fund and reduce the Primary Fund's gain or create a loss.

Leasehold Interests. A ground lease is a lease of land, usually on a long-term basis, that does not include buildings or other improvements on the land. Normally, any real property improvements made by the lessee during the term of the lease will revert to the landowner at the end of the lease term. The Primary Fund may acquire and originate commercial mortgage loans or commercial real estate-related debt instruments secured by liens on facilities that are subject to a ground lease or a leasehold interest in a property subject to a ground lease, and, if the ground lease were to expire or terminate unexpectedly, due to a default by the borrower with respect to debt Investments or the Primary Fund or Investment Vehicle on owned leasehold interests, on such ground lease, the Primary Fund's Investment would be worthless.

The Primary Fund May Need to Foreclose on Investments. The Primary Fund GP may find it necessary or desirable to foreclose on certain of its Investments, and the foreclosure process may be lengthy and expensive. Whether or not the Primary Fund has participated in the negotiation of the terms of any such loans, there can be no assurance as to the adequacy of the protection of the terms of the applicable loan, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, claims may be asserted by lenders or borrowers that might interfere with enforcement of the Primary Fund's rights or moratoriums on foreclosure may be instituted by an applicable governmental agency. Borrowers may resist foreclosure actions by asserting numerous claims, counterclaims and defenses, including, without limitation, lender liability claims and defenses, even when the assertions may have no basis in fact, in an effort to prolong the foreclosure action and seek to force the lender into a modification of the loan or a favorable buy-out of the borrower's position in the loan. In some states, foreclosure actions can take several years or more to litigate. At any time prior to or during the foreclosure proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure actions and further delaying the foreclosure process and could potentially result in a reduction or discharge of a borrower's debt. Foreclosure may create a negative public perception of the related property, resulting in a diminution of its value. Even if the Primary Fund is successful in foreclosing on an Investment, the liquidation proceeds upon sale of the underlying real estate may not be sufficient to recover the Primary Fund's cost basis in

the Investment, resulting in a loss. Furthermore, any costs or delays involved in the foreclosure of the loan or a liquidation of the underlying property will further reduce the net proceeds and, thus, increase the loss.

Subjectivity of Real Estate Valuation. The valuation of the commercial real estate that secures or otherwise supports the Primary Fund's investments is inherently subjective and uncertain due to, among other factors, the individual nature of each property, its location, the expected future rental revenues from that particular property and the valuation methodology adopted. In addition, where the Primary Fund invests in construction loans, initial valuations will assume completion of the project. As a result, the valuations of the commercial real estate that secures or otherwise supports investments are made on the basis of assumptions and methodologies that may not prove to be accurate, particularly in periods of volatility, low transaction flow or restricted debt availability in the commercial real estate markets.

Insurance May be Insufficient. There are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war, which may be uninsurable or not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations and other factors, including terrorism or acts of war, also might result in insurance proceeds that are insufficient to repair or replace a property if it is damaged or destroyed. Under these circumstances, the insurance proceeds received with respect to a property relating to one of the Primary Fund's investments might not be adequate to restore the Primary Fund's economic position with respect to the Primary Fund's investment. Any uninsured loss could result in the corresponding non-performance of or loss on the Primary Fund's investment related to such property.

Terrorist Attacks and the Availability of Terrorism Insurance. Terrorist attacks, the anticipation of any such attacks, the consequences of any military or other response by the U.S. and its allies, and other armed conflicts could cause consumer confidence and spending to decrease or result in increased volatility in the U.S. and worldwide financial markets and economy. The economic impact of these events could also adversely affect the credit quality of some of the Primary Fund's investments and the properties underlying the Primary Fund's interests. In addition, with the enactment of the Terrorism Risk Insurance Act of 2002 ("TRIA") and the subsequent enactment of legislation extending TRIA through the end of 2027, insurers are required to make terrorism insurance available under their property and casualty insurance policies, but this legislation does not regulate the pricing of such insurance, and there is no assurance that this legislation will be signed into law or that TRIA will be extended beyond 2027. The absence of affordable insurance coverage may adversely affect the general real estate finance market, lending volume and the market's overall liquidity and may reduce the number of suitable investment opportunities available to us and the pace at which the Primary Fund is able to make investments. If the properties underlying the Primary Fund's investments are unable to obtain affordable insurance coverage, the value of those investments could decline, and in the event of an uninsured loss, the Primary Fund could lose all or a portion of the Primary Fund's investment.

Lender Liability Claims. In recent years, a number of judicial decisions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories, collectively termed "lender liability." Generally, lender liability is founded on the premise that a lender has either violated a duty, whether implied or contractual, of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or

its other creditors or stockholders. The Primary Fund could be subject to significant liability and losses if a claim of this type were to arise.

RISKS RELATING TO REAL ESTATE

General Real Estate Risks. The Primary Fund Investments will be subject, directly or indirectly, to the risks inherent in the ownership and operation of real estate and real estate related businesses and assets. These risks include, but are not limited to, those associated with the burdens of ownership of real property, general and local economic climate, local real estate conditions, changes in supply of or demand for competing properties in an area (as a result, for instance, of overbuilding), fluctuations in the average occupancy and room rates for hotel properties, the financial resources of tenants, changes in building, environmental and other laws, energy and supply shortages, various uninsured or uninsurable risks, natural disasters, epidemics, pandemics, changes in government regulations (such as rent control), changes in real property taxes, changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, negative developments in the economy that depress travel activity, environmental liabilities, contingent liabilities on disposition of assets, terrorist attacks and war and other factors which are beyond the control of the Primary Fund GP. There is no assurance that there will be a ready market for resale of Primary Fund Investments because such Primary Fund Investments will generally not be liquid. Lack of liquidity may result from the absence of an established market for the Primary Fund Investments, as well as legal or contractual restrictions on their resale by the Primary Fund.

Risks Related to Certain Types of Commercial Properties

Particular types of commercial properties which may underlie Primary Fund Investments are exposed to special risks in addition to the other risks identified in this Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss. For instance:

Special Risks Associated with Multifamily Properties

Multifamily properties may be located in geographic markets characterized by high or low barriers to entry. Thus, a particular apartment or condominium (including townhome) market with historically low vacancies could experience substantial new construction and a resultant oversupply of units in a relatively short period of time. Since multifamily apartment units (as well as condominium unit rentals) are typically leased on a short-term basis, the tenants who reside in a particular property within such a market may easily move to alternative properties with more desirable amenities or locations. A large number of factors may adversely affect the value and successful operation of a multifamily property, including: the physical attributes of the apartment or condominium building (for example, its age, appearance and construction quality); the location of the property (for example, a change in the neighborhood over time); the ability of property management to provide adequate maintenance and insurance; the types of services and amenities that the property provides; the imposition of federal, state or municipal rent level regulations as well as other regulations affecting the ability of the owner to pursue lease and other remedies against defaulting tenants; the property's reputation; the level of mortgage interest rates (which, if relatively low, may encourage tenants to purchase rather than lease housing); the tenant mix, such as the tenant population being predominantly students or being heavily dependent on workers from a particular business or personnel from a local military base; dependence upon governmental programs that provide rent subsidies

to tenants pursuant to tenant voucher programs or tax credits to developers to provide certain types of development; the presence of competing properties; adverse local or national economic conditions; state and local regulations; and restriction on evictions of tenants.

Commercial mortgage loans on, and investments in, condominium developments with residential units that have not yet been fully sold by the condominium Primary Fund GP may not be secured by the entire condominium development, which may increase risks to the Primary Fund. Due to the nature of condominium properties, a default by the commercial borrower may not allow the Primary Fund the same flexibility in realizing on the collateral as would generally be available with respect to other types of commercial properties since the rights of residential unit owners, the condominium documents and state and local laws applicable to condominium units must be considered and respected.

Furthermore, multifamily properties may be subject to various tax credit, city, state and U.S. federal housing subsidies, rent stabilization, use restrictions or similar programs. The limitations and restrictions imposed by these programs could result in losses on commercial mortgage loans or the owned property, as applicable. In addition, in the event that the program is cancelled, it could result in less income for the property. These programs may include: rent limitations that could adversely affect the ability of borrowers and owners to increase rents to maintain the condition of their properties and satisfy operating expenses; and tenant income restrictions that may reduce the number of eligible tenants in those mortgaged properties and result in a reduction in occupancy rates. The differences in rents between subsidized or supported properties and other multifamily rental properties in the same area may not be a sufficient economic incentive for some eligible tenants to reside at a subsidized or supported property that may have fewer amenities or be less attractive as a residence. As a result, occupancy levels at a subsidized or supported property may decline, which may adversely affect the value and successful operation of such property.

Special Risks Associated with Office Properties

Office properties may require their owners to expend significant amounts of cash to pay for general capital improvements, tenant improvements and costs of re-leasing space. Office properties that are not equipped to accommodate the needs of modern businesses may become functionally obsolete and thus non-competitive. In addition, a large number of factors may adversely affect the value of office properties, including: the quality of an office building's tenants; the physical attributes of the building in relation to competing buildings (for example, age, condition, design, access to transportation and ability to offer certain amenities, such as sophisticated building systems); the physical attributes of the building with respect to the technological needs of the tenants, including the adaptability of the building to changes in the technological needs of the tenants; the desirability of the area as a business location; the presence of competing properties; the imposition of federal, state or municipal regulations as well as other regulations affecting building codes or the ability of the owner to pursue lease and other remedies against defaulting tenants; and the strength and nature of the local economy (including labor costs and quality of labor, the tax environment and the quality of life for employees). Moreover, the cost of refitting office space for a new tenant is often higher than the cost of refitting other types of properties for new tenants. Office properties are further impacted by downsizing of tenant's needs and increase in work from home options being offered by many companies.

Special Risks Associated with Retail Properties

Retail properties may be affected by consumer shopping patterns, which in turn may be affected by market conditions and uncertainty regarding economic markets generally which may be materially adversely affected by general economic downturns which dampens consumer spending. Further, consumer shopping patterns are experiencing changes due to the growing market share of non-real estate-based retailing, including the popularity of home shopping networks, shopping through Internet web sites and telemarketing. A particular retail property may be adversely affected by the bankruptcy or decline in drawing power of an anchor, shadow anchor or major tenant, a shift in consumer demand due to demographic changes (for example, population decreases or changes in average age or income) and/or changes in consumer preference (for example, to discount retailers). In the case of retail properties, the failure of an anchor, shadow anchor or major tenant to renew its lease, the termination of an anchor, shadow anchor or major tenant's lease, the bankruptcy or economic decline of an anchor, shadow anchor or major tenant, or the cessation of the business of an anchor, shadow anchor or major tenant at a particular location or all locations, notwithstanding that such tenant may continue payment of rent after "going dark," may have a particularly negative effect on the economic performance of a shopping center property given the importance of anchor tenants, shadow anchor tenants and major tenants in attracting traffic to other stores within the same shopping center. The failure of one or more major tenants, such as an anchor or shadow anchor tenant, to operate from its premises may entitle other tenants to rent reductions or the right to terminate their leases. The imposition of federal, state or municipal regulations as well as other regulations affecting building codes or the ability of the owner to pursue lease and other remedies against defaulting tenants may further adversely impact the value of retail properties.

Special Risks Associated with Hotel Properties

Hotel properties are affected by various factors, including: location; quality; management ability; amenities; franchise affiliation (or lack thereof); unionization of employees; continuing expenditures for modernizing, refurbishing and maintaining existing facilities prior to the expiration of their anticipated useful lives; a deterioration in the financial strength or managerial capabilities of the owner and operator of a hotel; changes in travel patterns caused by changes in access, energy prices, strikes, relocation of highways, the construction of additional highways or other factors; adverse economic conditions, either local, regional or national, which may limit the amount that may be charged for a room and may result in a reduction in occupancy levels; and construction of competing hotels or motels, which may also limit the amount that may be charged for a room and may result in a reduction in occupancy levels.

Because hotel rooms generally are rented for very short periods of time, hotel properties tend to be affected more quickly by adverse economic conditions and competition than other commercial properties. The performance of a hotel property affiliated with a franchise or hotel management company depends in part on: the continued existence and financial strength of the franchisor or hotel management company; the public perception of the franchise or hotel chain service mark; and the duration of the franchise licensing or management agreements.

Furthermore, consumer websites such as AirBnB, HomeAway, and similar websites that facilitate the short-term rental of homes and apartments from owners may provide an alternative to hotel rooms. The continued growth of peer-to-peer lodging inventory sources could adversely affect the demand for traditional hotel properties, and may result in adverse economic consequences for the Primary Fund. In

addition, some businesses, in an effort to reduce costs or as a result of restrictions on the ability to travel and hold conferences or events at hotels, may expand their reliance on improved webcast conferencing technologies in lieu of attending or utilizing hotels. These restrictions, as well as negative publicity associated with such companies holding large conferences and corporate events, may result in reduced corporate bookings at hotel properties that could have a material adverse effect on the financial results of hotel properties.

Moreover, the hotel and lodging industry is often seasonal in nature; different seasons affect different hotels depending on type and location. This seasonality can be expected to cause periodic fluctuations in a hospitality property's room and restaurant revenues, occupancy levels, room rates and operating expenses. In addition, acts of war, terrorist activities, pandemics, natural disasters (such as earthquakes or hurricanes) and environmental disasters, as well as adverse economic conditions, can have a material adverse impact on the tourism and convention industries, which directly affects the revenues generated by hotel properties.

Potential Environmental Liability. Primary Fund Investments may be exposed to substantial risk of loss arising from undisclosed or unknown environmental, health or occupational safety matters, or inadequate reserves, insurance or insurance proceeds for such matters that have been previously identified. The Primary Fund will be exposed, directly and indirectly, to a wide range of U.S. federal, state, local and foreign environmental, health and safety laws, ordinances and regulations, including without limitation, those relating to the investigation, removal, and remediation of past or present releases of hazardous or toxic substances. Such laws may impose joint and several liability, which can result in a party being obligated to pay for greater than its share, or even all, of the liability involved. Such liability may also be imposed without regard to whether the owner or operator knew of, or was responsible for, the presence or release of such substances. The cost of any required remediation and other environmental liabilities are generally not limited under such laws and could exceed the value of the relevant property and/or the aggregate assets of the responsible party. The presence of such substances, or the failure to properly remediate related contamination, may adversely affect the marketability of the real estate or the value of such property as collateral, which could have an adverse effect on the Primary Fund's return from such Primary Fund Investment. Environmental claims with respect to a specific Primary Fund Investment may exceed the value of such Primary Fund Investment, and under certain circumstances, subject the other assets of the Primary Fund to such liabilities.

Americans with Disabilities Act. In certain cases, the Primary Fund's assets will be required to comply with Title III of the Americans With Disabilities Act (the "**ADA**") to the extent that such properties are "public accommodations" and/or "commercial facilities" as defined by the ADA. Compliance with the ADA requirements could require removal of structural barriers to handicapped access in certain public areas of properties where such removal is readily achievable or increase the cost of the Primary Fund's Investments. Non-compliance could result in imposition of fines or an award of damages to private litigants.

RISKS ASSOCIATED WITH INVESTING IN DISTRESSED ASSETS

Certain Tax Risks. The tax (including, without limitation, U.S. federal income tax) consequences arising from an investment in the Primary Fund are highly complex and may vary significantly depending on each investor's specific circumstances.

In particular, (i) prospective investors should be aware that they will be subject to tax annually on the Primary Fund's income and recognized gains, if any, regardless of whether they receive any cash distributions from the Primary Fund, (ii) prospective tax-exempt U.S. investors should note that they are likely to recognize UBTI from an investment in the Primary Fund, and (iii) prospective Non-U.S. Investors (as defined below) should note that they are likely to recognize ECI, including income subject to U.S. federal income tax under FIRPTA, as a result of an investment in the Primary Fund. Upon request, the Primary Fund GP may form separate feeder or parallel vehicles that are intended to allow electing investors to invest in such a manner that allows such persons to avoid recognizing UBTI or ECI, as applicable.

The Primary Fund's investments are expected to generate a mix of ordinary income and capital gains, and may give rise to deductions or losses the use of which are subject to complex limitations, and which may require additional U.S. federal, state or local tax filings.

Each entity comprising the Primary Fund will provide tax information on Schedule K-1 to its investors following the close of such entity's taxable year. For any given year, a Primary Fund entity may be unable to provide this information to its investors prior to the due date for the filing of tax returns with respect to that year as a result of such entity not receiving necessary information regarding its underlying Investments on a timely basis, and investors should be prepared to obtain available extensions of the due dates for filing their income tax returns.

Each prospective investor should be aware that tax laws and regulations (and interpretations thereof) are subject to change, and any such change may adversely affect the Primary Fund and/or its investors, possibly on a retroactive basis.

Each prospective investor is urged to consult its tax advisor as to the U.S. federal, state, local and non-U.S. tax consequences of the acquisition, ownership and disposition of Interests in the Primary Fund, including applicable tax reporting requirements.

For additional information regarding the tax consequences of an investment in the Primary Fund, see Section VIII, "*Regulatory, Tax and ERISA Considerations*," of the PPM.

RISKS RELATING TO SOURCES OF FINANCING

Financing Sources may be Limited. Primary Fund Borrowings may be in the form of direct loans on a Primary Fund Investment or a company credit facility and may be in the form of credit agreements including unfunded capital commitment facilities. The Primary Fund's access to financing will depend upon a number of factors, some of which are outside the control of the Primary Fund GP, including the quality of the Primary Fund Investment and general market conditions.

A dislocation and/or weakness in the capital and credit markets could adversely affect one or more private lenders and could cause one or more of the Primary Fund's private lenders to be unwilling or unable to provide the Primary Fund with financing or to increase the costs of such financing. In addition, if regulatory capital requirements imposed on the Primary Fund's private lenders change, they may be required to limit, or increase the cost of, financing they provide to the Primary Fund. In general, this could potentially increase the Primary Fund's financing costs and reduce its liquidity or require it to sell assets at an inopportune time or price.

Restrictive Covenants in Financing Agreement. The agreements governing Primary Fund Borrowings will likely contain covenants that restrict certain actions on the part of the Primary Fund. These covenants may restrict the Primary Fund's ability to incur additional debt or liens, make certain investments or acquisitions, merge, consolidate or transfer or dispose of substantially all of its assets or otherwise dispose of property and assets, pay dividends and make certain other restricted payments, change the nature of its business or enter into transactions with affiliates. These covenants may also require the Primary Fund to maintain compliance with various financial covenants, including, as applicable, a minimum tangible net worth and cash liquidity, and specified financial ratios, such as total debt to total assets and EBITDA to fixed charges or loan-to-value ratios. These covenants may limit the Primary Fund's flexibility to pursue certain investments or incur additional debt. If the Primary Fund fails to meet or satisfy any of these covenants, it would be in default under these agreements and its indebtedness could be declared due and payable. In addition, lenders could terminate their commitments, require the posting of additional collateral and enforce their interests against existing collateral. Primary Fund Borrowings may also be subject to cross-default and acceleration rights and, with respect to collateralized debt, the posting of additional collateral and foreclosure rights upon default.

The Primary Fund's credit agreements and master repurchase agreements will also involve the risk that the market value of the loans pledged or sold by the Primary Fund to the repurchase agreement counterparty or provider of the bank credit facility may decline in value, in which case the lender may require the Primary Fund to provide additional collateral or to repay all or a portion of the funds advanced. The Primary Fund may not have the funds available to repay its debt at that time, which would likely result in defaults unless additional capital could be called or funds could be raised from alternative sources, which it may not be able to achieve on favorable terms or at all. If the Primary Fund cannot meet these requirements, the lender could accelerate the indebtedness, increase the interest rate on advanced funds and terminate the Primary Fund's ability to borrow funds from them, which could materially and adversely affect the return to Primary Fund LPs. In addition, in the event that the lender files for bankruptcy or becomes insolvent, those Primary Fund Investments collateralizing or sold to such lender or counterparty may become subject to bankruptcy or insolvency proceedings, thus depriving the Primary Fund, at least temporarily, of the benefit of these assets.

Derivative Instruments and Hedge Risks. The Primary Fund may use derivative instruments in the form of interest rate swaps and interest rate caps. Interest rate swaps effectively change variable-rate debt obligations to fixed-rate debt obligations or fixed-rate debt obligations to variable-rate debt obligations. Interest rate caps limit the Fund's exposure to rising interest rates. The Primary Fund's use of derivative instruments also involves the risk that a counterparty to a hedging arrangement could default on its obligation and the risk that the Primary Fund may have to pay certain costs, such as transaction fees or breakage costs, if a hedging arrangement is terminated by the Primary Fund. Developing an effective strategy for dealing with movements in interest rates is complex and no strategy can completely insulate the Primary Fund from risks associated with such fluctuations. There can be no assurance that any hedging activities will have the desired beneficial impact on the Primary Fund's operating results.

Significant Increases in Interest Rates could have an Adverse Effect. The Primary Fund's operating results depend in part on the difference between the interest and related income earned on the Primary Fund Investments and the interest expense incurred on Primary Fund Borrowings. Changes in the general level of interest rates prevailing in the financial markets will affect the spread between the Primary Fund's interest earning assets and interest bearing liabilities subject to the impact of interest rate floors and caps,

as well as the amounts of floating rate assets and liabilities. Any significant compression of the spreads between interest earning assets and interest bearing liabilities could have a material adverse effect on the Primary Fund. While interest rates remain low by historical standards, rates may rise in the coming years, although there is no certainty as to the amount by which they may rise. In the event of a significant rising interest rate environment, rates could exceed the interest rate floors that exist on certain of the Primary Fund's floating rate debt and create a mismatch between the Primary Fund's floating rate loans and its floating rate debt that could have a significant adverse effect on the Primary Fund's operating results. An increase in interest rates could also, among other things, reduce the value of fixed-rate interest bearing assets and, therefore, the ability to realize gains from the sale of such assets. Interest rates are highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political conditions, and other factors beyond the Primary Fund's control.

ITEM 9. DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to our clients' or prospective clients' evaluation of Winthrop Capital Advisors or the integrity of our management.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither Winthrop Capital Advisors nor any of its management persons are registered, or have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

Winthrop Capital Advisors does not recommend or select other investment advisers for our clients for which we receive compensation directly or indirectly from those Advisers which could create a material conflict of interest.

Certain inherent conflicts of interest arise from the fact that: (1) Winthrop Capital Advisors will provide investment management services to more than one client; (2) clients may have one or more overlapping investment objectives; and (3) Winthrop Capital Advisors is affiliated with entities and management persons that may also have overlapping investment objectives with respect to our clients. Winthrop Capital Advisors may advise clients with conflicting investment objectives or strategies. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more clients.

Additionally, certain management persons of Winthrop Capital Advisors provide services to other pooled investment vehicles sponsored by affiliates of Winthrop Capital Advisors. Such management persons may be incentivized to: (i) dedicate additional time and resources to those investment vehicles with which such persons have a direct incentive compensation arrangement, and (ii) allocate attractive investment opportunities to such investments instead of our clients, each of which may have a detrimental effect on the performance of Winthrop Capital Advisors' clients.

Further, as described in Item 5 of this Brochure – *Fees and Compensation* and the operative documents (*i.e.*, Fund limited partnership agreement, PPM, etc.) certain affiliates of Winthrop Capital Advisors will be engaged to provide property management, construction management, construction oversight and construction development services to client assets and investments.

Winthrop Capital Advisors addresses these conflicts of interest by providing in its Code of Ethics that all supervised persons have a duty to act in the best interests of each client, providing training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under Winthrop Capital Advisors' policies and procedures.

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

Winthrop Capital Advisors has adopted and implemented a Code of Ethics (the “**Code**”) that sets forth the ethical and fiduciary principles and related compliance requirements under which Winthrop Capital Advisors operates and the procedures for implementing those principles. The Code, which is designed to comply with Rule 204A-1 under the Advisers Act, includes provisions that govern fiduciary duty, standards of business conduct, client opportunities and personal securities transactions, including certain pre-clearance and reporting obligations.

Every managing director, principal, partner or officer (or any person performing similar functions) or employee of Winthrop Capital Advisors and every natural person (whether or not an employee) who is subject to Winthrop Capital Advisors' supervision and control who (i) has access to nonpublic information regarding a client's purchase or sale of securities, (ii) is involved in making securities recommendations to a client, or (iii) has access to securities recommendations to a client that are nonpublic (collectively, “**Access Persons**”) may maintain personal securities accounts, provided that such accounts are disclosed to Winthrop Capital Advisors and that any personal trading is consistent with applicable law and with the Code. Subject to compliance with the Code, employees may buy, sell or hold, for their own personal accounts, securities that Winthrop Capital Advisors also may buy, sell or hold for a client.

The Code contains policies and procedures that, among other things:

- Prohibit Access Persons from taking personal advantage of opportunities belonging to a client;
- Place limitations on personal trading by Access Persons to avoid direct conflict with a client's trading and impose, in certain cases, preclearance and reporting obligations with respect to trading;
- Require initial and annual reports of securities holdings and quarterly transaction reports by Access Persons;
- Require Access Persons to report violations of the Code of which they become aware; and
- Require Access Persons to certify annually compliance with the Code.

A copy of our Code can be obtained by contacting John Garilli, President and Chief Compliance Officer, at (617) 570-4632.

ITEM 12. BROKERAGE PRACTICES

Due to the nature of the pooled investment vehicles which Winthrop Capital Advisors advises, Winthrop Capital Advisors will rarely execute a brokerage transaction for its clients. From time to time however, we may purchase certain hedging instruments with respect to secured real estate borrowings of our clients. When choosing a broker for these transactions, we will generally consider qualitative factors including but not limited to, the broker's reliability and execution capabilities, the broker's ability to provide best execution, the commission charged by the broker, and the broker's reputation, financial strength and stability. We review the efficiency and effectiveness of any brokers used on a periodic basis.

Because of the nature of our business as a manager to a pool of real-estate related assets, Winthrop Capital Advisors does not enter into soft dollar arrangements or accept directions of brokerage from investors.

Given the nature of our advisory business, client referrals are not relevant to our selection or recommendation of a broker-dealer.

ITEM 13. REVIEW OF ACCOUNTS

The Funds that we advise invest in real estate-related assets. These investments are monitored by Winthrop Capital Advisors and each Fund's general partner on a regular and current basis. Investors in the Funds we manage generally receive reports on a quarterly and annual basis. Fund investors will also receive annual audited financial statements for the Fund(s) in which they invest as well as an audited financial statement in the event of a Fund liquidation at a time other than the Fund's fiscal year end. Refer to the operative documents (*i.e.*, Fund limited partnership agreements, applicable PPMs, etc.) for each Fund for additional details on the reports provided to Fund limited partners.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Winthrop Capital Advisors does not have any placement or "finders" arrangements for referrals of clients. However, our affiliates have entered into placement or "finders" arrangements for soliciting investors into the Funds we advise. The Funds disclose in their offering documents that they may enter into these arrangements. In addition, the Funds generally require investors to acknowledge any fee payments relating to solicitation arrangements.

Generally, fees for solicitation services for investors in our Funds will be ultimately paid by the Funds' general partners and not by the Funds or investors in the Funds themselves. Third-party solicitors in the United States will be registered as broker-dealers with the SEC, and third-party solicitors outside of the United States will be registered with a non-U.S. regulatory body to the extent such registration is required in the applicable non-U.S. jurisdiction.

ITEM 15. CUSTODY

Due to the access to Fund assets, Fund investor capital accounts and authority to deduct fees and other expenses possessed by our affiliates as general partners of the Funds we advise, we are deemed under Rule 206(4)-2 of the Advisers Act to have custody of our clients' funds.

We use the services of a bank or other qualified custodian (as defined under Rule 206(4)-2) to hold all assets of any of the Funds we advise. We also ensure that the qualified custodian maintains these assets in accounts that contain only clients' funds and securities.

While Rule 206(4)-2 generally requires an investment adviser to ensure that a qualified custodian sends account statements to clients at least quarterly, we are not subject to this requirement because all Funds managed by us are subject to audit at least annually by an independent auditor that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board and a final audit upon liquidations which occur prior to a fiscal year end. Fund general partners distribute audited financial statements to all investors of our Funds following the end of the fiscal year of such Fund within the number of days required by Rule 206(4)-2 and following a Fund liquidation occurring at other than a fiscal year end.

Winthrop Capital Advisors, from time to time, maintains custody of loans, certificates and uncertified or "privately offered securities" acquired directly from the issuer in private placements or non-public transactions. We deposit all other Fund assets (including any other fund securities, to the extent Winthrop Capital Advisors acquires or comes into possession of such securities) with a qualified custodian. We give our clients notice in writing of the name and address of the qualified custodian(s) used and the manner in which the assets are maintained.

ITEM 16. INVESTMENT DISCRETION

Winthrop Capital Advisors has full discretionary authority over our clients' assets (including the Primary Fund's assets, WSRE assets and the assets which constitute any Syndicated Co-Investment or Investment Vehicle) to operate within the parameters of each Fund's partnership agreement, our management agreement with each Fund and the governing documents of each Fund, subject in all cases to the ongoing oversight review of the general partner of each Fund and each general partner's responsibility for setting general policies with respect to their respective Funds. Winthrop Capital Advisors performs a thorough review of each client's operative documents and engages in day-to-day monitoring of each of our client's performance and portfolio composition to ensure customization of its services to best meet the needs of the client. Winthrop Capital Advisors' discretionary authority to manage client assets is based upon the authority granted to us in our management agreements, subject to the terms of the Fund limited partnership agreements and other Fund operative documents.

ITEM 17. VOTING CLIENT SECURITIES

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds. The guiding principle by which the Adviser votes or grants consent is to act in the best interests of each Fund by maximizing the economic value of the relevant Fund's holdings, taking into account the Fund's investment horizon, the contractual obligations under the relevant Management Agreements or comparable documents, and all other relevant facts and circumstances at the time of the vote or consent. The Adviser does not permit voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Adviser's general policy to vote or give consent on all matters presented to security holders for a vote or consent. However, the Adviser reserves the right to abstain on any particular vote or otherwise withhold its vote or consent on any matter if, in the judgment of the Adviser's Chief Compliance Officer or the relevant Adviser investment professional, the costs associated with such vote or consent outweigh the benefits to the relevant Fund or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Fund.

All voting decisions initially are referred to the Adviser's Chief Compliance Officer or appropriate investment professional for a voting decision. In most cases, the Adviser's Chief Compliance Officer or the investment professional covering the particular investment will make the decision as to the appropriate vote or consent. In making such decision, he or she may rely on any of the information and/or research available to him or her. If the investment professional is making the voting or consent decision, the investment professional will inform the Chief Compliance Officer of any such voting or consent decision, and if the Chief Compliance Officer does not object to such decision as a result of his or her conflict of interest review, the vote will be made or consent granted in such manner. If the investment professional and the Chief Compliance Officer are unable to arrive at an agreement as to how to vote or as to whether to grant consent, then the Chief Compliance Officer may consult with the Adviser's Chief Executive Officer as to the appropriate decision, who will then review the issues and arrive at a decision based on the overriding principle of seeking the maximization of the economic value of the relevant Funds' holdings.

The Adviser's Chief Compliance Officer has the responsibility to monitor votes or consents for any conflicts of interest, regardless of whether they are actual or perceived. All voting and consent decisions will require a mandatory conflicts of interest review by the Adviser's Chief Compliance Officer in accordance with these policies and procedures, which will include consideration of whether the Adviser or any investment professional or other person recommending how to vote/consent and/or the Adviser's affiliates and their clients has an interest in how the decision is made that may present a conflict of interest. In addition, all Adviser investment professionals are expected to perform their tasks relating to votes and consents in accordance with the principles set forth above, according the first priority to the best interest of the relevant Funds. The Adviser's Chief Compliance Officer will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the Funds.

Where the Adviser's Chief Compliance Officer deems appropriate in his or her sole discretion, unaffiliated third parties may be used to help resolve conflicts. In this regard, the Adviser's Chief Compliance Officer shall have the power to retain independent fiduciaries, consultants, or professionals to assist with voting decisions and/or to delegate voting or consent powers to such fiduciaries, consultants or professionals.

Copies of relevant proxy/consent logs, identifying how proxies were voted and whether consents were granted in connection with a Fund and copies of voting policies are available to any client or prospective client upon written request to: John Garilli at 617-570-4632 or jgarilli@winthropcapital.com to obtain further information.

ITEM 18. FINANCIAL INFORMATION

As of the date of this report, to the best of Winthrop Capital Advisors' knowledge, no financial condition exists that is reasonably likely to impair Winthrop Capital Advisors' ability to meet contractual commitments to our clients.