

## **ITEM 1 – Cover Page**

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### **Terra REIT Advisors, LLC**

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**March 30, 2024**

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This brochure provides information about the qualifications and business practices of Terra REIT Advisors, LLC (the “**Adviser**”). If you have any questions about the contents of this brochure, please contact us at (212) 753-5100. The information contained in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

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

Additional information about the Adviser is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2 – Material Changes**

Since the Adviser's last annual brochure dated March 31, 2023, the Adviser has made certain updates and revisions to our brochure in Item 8, including further disclosures around Interest Rate and Interest Rate Product Risks, Risks Related to War and International Conflicts, and Banking and Financial System Instability. The Adviser does not believe that any of these updates or revisions are material.

Clients may request the most recent version of the Adviser's brochure by submitting an email to request to the Adviser's Chief Compliance Officer, Bernadette Murphy at [bernadette@mavikcapital](mailto:bernadette@mavikcapital), telephone number (908) 451-8769, or by submitting a written request to the Adviser at Terra REIT Advisors, LLC, 205 West 28th St., New York, NY 10001. You may request the most recent version of this brochure, free of charge by contacting us at 212-753-5100. You may also obtain a copy by going to the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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#### **ITEM 4 – Advisory Business**

The Adviser is a Delaware limited liability company formed in September 2017 that is registered as an investment adviser with the SEC under the Advisers Act. As of the date hereof, the Adviser provides investment advisory and administrative services to the following entities: (a) Terra Property Trust, Inc. (“**Terra REIT**”); (b) Terra Secured Income Fund 5 International (“**Terra 5 International**”); (c) Terra Income Fund International (“**Terra International**”); (d) Terra Offshore Funds REIT, LLC; and (e) Mavik Real Estate Special Opportunities Fund, LP (“**Special Opps Fund**” and together with Terra REIT, Terra 5 International, Terra International, and any other persons or entities that may become clients of the Adviser in the future, the “**Clients**”).

The Adviser may, subject to any limitations described in the various agreements between the Adviser and its Clients (each, an “**Advisory Agreement**”), advise business development companies (“**BDCs**”), real estate investment trusts (“**REITs**”), registered investment companies, private investment funds, institutional investors, or other persons or entities in the future, at which time the Adviser will make any necessary amendments to this Brochure.

The Adviser is responsible for identifying potential investments for its Clients. The Adviser evaluates such investments and their appropriateness based on the investment objectives and policies of the applicable Client making such investment, as adopted by such Client’s board of directors, board of managers or other governing body. If the Adviser determines that certain investments are appropriate for a given Client, and the investment committee of the Adviser unanimously approves such investments, the Adviser will effectuate the investments on behalf of such Client. The Adviser also has the discretion, without limitation, to determine the broker used in effecting any investment and commissions to be paid in connection therewith.

The Adviser then, on behalf of the Client, acquires, monitors, and continually services any investments made. Using an asset analysis methodology that includes a combination of fundamental and cyclical analysis with a consideration of, among other things, a potential investment’s credit rating, if applicable, the Adviser will determine what assets are appropriate for purchase, sale or retention by its Clients.

The Adviser provides investment supervisory services to each of its Clients pursuant to an Advisory Agreement.

The Adviser may offer advice to its Clients on a broad range of securities, including but not limited to, commercial real estate loans (including mezzanine loans, first and second lien mortgage loans, subordinated mortgage loans, bridge loans and other commercial real estate-related loans), preferred equity investments, select commercial real estate-related debt securities, equity securities that may be exchange listed, traded over-the-counter or issued by foreign entities, warrants, commercial paper, certificates of deposit, mutual fund shares, U.S. government securities, option contracts on securities, interests in partnerships investing in real estate, oil and gas interests, commodities, corporate loans, corporate debt securities and collateralized loans and debt obligations.

As of December 31, 2023, the Adviser and its affiliates managed \$1,098,621,330 in Client assets on a discretionary basis.

The sole owner of the Adviser is Terra Capital Partners, LLC ("**Terra Capital Partners**"), an entity wholly owned and controlled by Mavik Capital Management, L.P. ("**Mavik**"), which is ultimately controlled by Vikram Uppal. A passive minority interest of less than 25 in Mavik is owned by Strategic Partners Real Estate VII Investments, L.P., an investment fund managed by Strategic Partners Fund Solutions. See Item 10 – Other Financial Industry Activities and Affiliations for more information.

## **ITEM 5 – Fees and Compensation**

The Adviser has no set policy regarding the calculation of fees for its services, and it will determine such fees on a Client-by-Client basis, as negotiated with each of the Clients as set forth in such Client's Advisory Agreement. As the Adviser establishes other relationships, it may arrange to receive fixed fees or fees paid on some other negotiated basis. While brokerage commissions will not generally be payable by the Adviser, see Item 12 for information regarding certain trading execution costs that may be incurred by Clients.

### **The Adviser**

The Adviser deducts agreed-upon fees from its Clients' assets and will deduct agreed-upon fees from the assets of any future Clients. The following is a summary of the fees that the Adviser receives from its Clients.

#### *Terra REIT*

The Adviser serves as the adviser of Terra REIT. Pursuant to an Advisory Agreement between the Adviser and Terra REIT, Terra REIT pays fees to the Adviser in the form of an origination fee, an asset management fee, an asset servicing fee, a disposition fee and, if necessary, a break-up fee, as follows:

- Origination Fee. An origination fee in the amount of 1.0% of the amount used to originate, acquire, fund, acquire or structure real estate-related loans, including any third-party expenses related to such investment. In the event that the term of any real estate-related loan is extended, the Adviser also receives an origination fee equal to the lesser of (i) 1.0% of the principal amount of the loan being extended or (ii) the amount of fee paid by the borrower in connection with such extension. The origination fee is offset by the amount of any origination fee received by Terra REIT from borrowers.
- Asset Management Fee. A monthly asset management fee at an annual rate equal to 1.0% of the aggregate funds under management, which includes the loan origination amount or aggregate gross acquisition cost, as applicable, for each real estate-related investment and cash held by Terra REIT.

- Asset Servicing Fee. A monthly asset servicing fee at an annual rate equal to 0.25% of the aggregate gross origination price or aggregate gross acquisition price for each real estate-related loan then held by Terra REIT (inclusive of closing costs and expenses).
- Disposition Fee. A disposition fee in the amount of 1.0% of the gross sale price or repayment amount received by Terra REIT from the disposition of each loan, but not upon the maturity, prepayment, workout, modification or extension of a loan unless there is a corresponding fee paid by the borrower, in which case the disposition fee will be the lesser of (i) 1.0% of the principal amount of the loan and (ii) the amount of the fee paid by the borrower in connection with such transaction. If the Adviser or its affiliates takes ownership of a property as a result of a workout or foreclosure of a loan, Terra REIT will pay a disposition fee upon the sale of such property equal to 1.0% of the sales price.
- Transaction Breakup Fee. In the event that Terra REIT receives any “breakup fees,” “busted deal fees,” termination fees, or similar fees or liquidated damages from a third party in connection with the termination or non-consummation of any investment or disposition transaction, the Adviser will be entitled to receive one-half of such amounts, in addition to the reimbursement of all out-of-pocket fees and expenses incurred by the Adviser with respect to its evaluation and pursuit of such transactions.

In addition to the fees described above, Terra REIT reimburses the Adviser and its affiliates for certain costs incurred by them in managing Terra REIT and its portfolio.

#### *Terra 5 International and Terra International*

The Adviser is the manager of Terra 5 International and Terra International. Pursuant to an Advisory Agreement between the Adviser and Terra 5 International and an Advisory Agreement between the Adviser and Terra International, Terra 5 International and Terra International pay fees to the Adviser in the form of an incentive fee, as follows:

##### *Terra 5 International*

Once shareholders of Terra 5 International have collectively received cumulative distributions equal to aggregate capital invested in shares and a 9.5% per annum, cumulative, non-compounded pre-tax return on unrecovered capital, 15% of amounts otherwise distributable to shareholders will be paid to the Adviser as an incentive fee.

##### *Terra International*

Once shareholders of Terra International have collectively received cumulative distributions equal to aggregate capital invested in shares and a 9.0% per annum, cumulative, non-compounded pre-tax return on unrecovered capital, 15% of amounts otherwise distributable to shareholders will be paid to the Adviser as an incentive fee.

*Terra Offshore Funds REIT, LLC*

The Adviser does not earn any fees for this fund.

In addition to the fees described above, Terra 5 International, Terra International and Terra International Fund 3 reimburse the Adviser and its affiliates for certain costs incurred by them in managing those funds and their portfolios.

*Mavik Real Estate Special Opportunities Fund, LP*

The Adviser is the manager of the Special Opps Fund. Pursuant to an Advisory Agreement between the Adviser and the Special Opps Fund, the Special Opps Fund pays fees to the Adviser as set forth below. Any capitalized terms used in the discussion below and not otherwise defined have the meanings given to such terms in the Limited Partnership Agreement of the Special Opps Fund.

Management Fee: The Adviser (or an affiliate thereof) will be entitled to an annual management fee (the “**Management Fee**”) with respect to each limited partner in the Special Opps Fund payable by the Special Opps Fund quarterly in advance, equal to 1.5% per annum of such limited partner’s Invested Capital. The Special Opps Fund may offset and reduce amounts otherwise distributable to a limited partner in order to pay the Management Fee to the Adviser (or an affiliate thereof).

Organizational Expenses: The Special Opps Fund will pay or reimburse Mavik Real Estate Credit Opportunities Fund GP, LLC (the “**Mavik GP**”), which is an affiliate of the Adviser, and its Affiliates for the Special Opps Fund’s Pro Rata Share of all Organizational Expenses. The Special Opps Fund’s Pro Rata Share of Organizational Expenses in excess of the Special Opps Fund’s Pro Rata Share of \$1.75 million shall reduce the Management Fee in a manner set forth in the Special Opps Fund’s confidential private placement offering memorandum.

Partnership Expenses. The Special Opps Fund shall pay all Partnership Expenses or reimburse Mavik GP, the Adviser, or any other Person for advancing payment of Partnership Expenses. In addition, the Special Opps Fund, Mavik GP, the Adviser or any Affiliate may charge a Portfolio Investment and/or a potential Portfolio Investment for any expenses to the extent Mavik GP reasonably determines such expenses are attributable to such Portfolio Investment and/or potential Portfolio Investment or the Special Opps Fund’s investment or prospective investment therein or liquidation thereof. Mavik GP or the Adviser may engage placement agents and incur Placement Fees.

In addition, Mavik GP, the Adviser or any of their respective affiliates may provide to the Special Opps Fund, any of its affiliates and/or any Portfolio Investment all accounting, financial, reporting, fund administration, tax, internal audit, legal, debt placement, technology-related services, brokerage, sales agent, property-related

services (including loan servicing and administrative agent services) and any other services in lieu of third parties providing such services to such Persons and receive compensation for such services that will not reduce the Management Fee; provided that such services shall be on terms that are determined by Mavik GP to be fair and reasonable to the Special Opps Fund or such Portfolio Investment as set forth in the Special Opps Fund's confidential private placement offering memorandum.

Carried Interest. A carried interest charge of 20% is applied to returns in excess of the preferred return as set forth in the Special Opps Fund's Limited Partnership Agreement.

Partners, employees, and related parties may be subject to reduced or waived performance and management fees but will participate in the payment of operating expenses on a pro rata basis.<sup>1</sup>

#### **ITEM 6 – Performance-Based Fees and Side-by-Side Management**

As noted above in Item 5, the Adviser expects to receive performance-based fees. See Item 10 below for information regarding certain potential conflicts of interest relating to the Adviser's current Clients, and how such potential conflicts are mitigated.

#### **ITEM 7 – Types of Clients**

The Adviser provides investment advisory and administrative services to several private real estate investment funds and two REITs. As discussed in Item 4, the Adviser may, subject to any limitations described in the Advisory Agreements, advise BDC's or other registered investment companies, private investment funds, institutional investors or other persons or entities in the future.

#### **ITEM 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

The Adviser is responsible for evaluating potential investments for Clients. The Adviser will review such investments and their appropriateness based on the investment objectives and policies of each Client, as adopted by the Client's board of directors, board of managers, trustees or other governing body. If the Adviser determines that such investments are appropriate and the Adviser's investment committee unanimously approves such investment, the Adviser will effectuate investments on behalf of its Clients. The Adviser has the discretion, without limitation, to determine the transaction brokerage service (or similar) used in effecting any investment and the commissions to be paid. While brokerage commissions will not generally be payable by the Adviser, in determining the appropriate level of commissions, the Advisers may consider the level of products, research and services to be obtained.



The Adviser acquires, monitors, and continually services any investments made. Using a security analysis methodology that includes a combination of fundamental and cyclical analyses with a consideration of, among other things, a potential investment's credit rating, if applicable, the Adviser determines what assets are appropriate for purchase, sale or retention by its Clients. The Adviser will rely on financial newspapers, magazines and trade journals, inspections of corporate activities, research material, annual reports and other filings with the SEC, company press releases and detailed management interviews, corporate rating services and other third-party data collection in offering advice on investing. The Adviser may offer advice to its Clients on a broad range of assets, including but not limited to, commercial real estate loans (including mezzanine loans, first and second lien mortgage loans, subordinated mortgage loans, bridge loans and other commercial real estate-related loans), preferred equity investments, select commercial real estate-related debt securities, equity securities that may be exchange listed, traded over-the-counter or issued by foreign entities, warrants, derivatives, structured products, commercial paper, certificates of deposit, convertible debt securities, mutual fund shares, U.S. government securities, option contracts on securities, interests in partnerships investing in real estate, oil and gas interests, commodities, corporate loans, corporate debt securities and collateralized loans and debt obligations. In addition, the Adviser may offer advice on the investment in BDC securities. The Adviser utilizes various investment strategies, including, among others, leverage, both long- and short-term purchases and hedging techniques when appropriate.

Investing in securities involves a risk of loss that Clients must be prepared to bear. Investments of the type that the Adviser recommends are subject to financial market risks, including changes in interest rates, which may have a substantial negative impact on the value of Clients' investments. In addition, since the Adviser primarily recommends investments in commercial real estate loans (including mezzanine loans, first and second lien mortgage loans, subordinated mortgage loans, bridge loans and other commercial real estate-related loans), preferred equity investments and select commercial real estate-related debt securities, such investments are subject to specific risks relating to the type of security held, the issuer of such security and various other risks, including without limitation, those set forth in each Client's Confidential Private Placement Memorandum. Further, investments recommended by the Adviser may have limited or no liquidity. The Adviser expects from time to time to also recommend that a Client borrow funds to make investments or for other business purposes. As a result, such Client would be exposed to the risks of borrowing, also known as leverage. Leverage increases the volatility of investments by magnifying the potential for gain and loss on amounts invested. There can be no assurance, however, that the use of leverage will be successful. To the extent fees are charged based on assets under management, there is an incentive to use leverage, since the funds obtained via leverage will increase assets under management.

*Force Majeure Events.* The value of Clients' real estate assets could be adversely affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic such as the Novel Coronavirus or any other serious public health concern, war, terrorism, labor strikes, major pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents,

demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including a counterparty to a Fund) to perform its obligations until it is able to remedy the force majeure event. These risks could, among other effects, adversely impact the cash flows available, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on an asset. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity. Additionally, a major governmental intervention, including the assertion of control over one or more assets, could result in a loss to the Clients. Any of the foregoing may therefore adversely affect the performance of a Fund and its investments.

## OTHER RISKS

*Risks Related to Cyber Security.* The Adviser and its service providers are susceptible to cyber security risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that the Adviser and its service providers use to service the Adviser's operations; or operational disruption or failures in the physical infrastructure or operating systems that support the Adviser and its service providers. Cyber-attacks against or security breakdowns of the Adviser or its service providers may adversely impact the Adviser and its Clients, potentially resulting in, among other things, financial losses; the inability of the Adviser to transact business and process transactions; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; and/or additional compliance costs. The Adviser may incur additional costs for cyber security risk management and remediation purposes. There can be no assurance that the Adviser or its service providers will not suffer losses relating to cyber-attacks or other information security breaches in the future.

*Risks Related to War and International Conflicts.* A number of countries in Europe have suffered terror attacks, and additional attacks may occur in the future. Ukraine has experienced ongoing military conflict; this conflict may expand, and military attacks could occur elsewhere in Europe. In addition, as of October 2023, there has been an ongoing military conflict between Israel and the terrorist organization known as Hamas. Europe also has been struggling with mass migration from the Middle East and Africa. The ultimate effects of these events and other socio-political or geographical issues are not known but could profoundly affect global economies and markets.

*Banking System Instability.* National and regional banks, financial institutions and other participants in the U.S. and global capital markets are closely interrelated as a result of credit, trading, clearing, technology, and other relationships. A significant adverse development (such as a bank run, insolvency, bankruptcy, or default) with one or more national or regional banks, financial institutions, or other participants in the financial or

capital markets may spread to others and lead to significant concentrated or market-wide problems (such as defaults, liquidity problems, impairment charges, additional bank runs, and losses, among other possible effects) for other participants in these markets. Future developments, including actions taken by the U.S. Department of the Treasury, Federal Deposit Insurance Corporation (FDIC), and/or Federal Reserve Board, and systemic risk in the U.S. and global banking sectors and broader economies in general, are difficult to assess and quantify, and the form and magnitude of such developments or other actions of any of the U.S. Department of the Treasury, Federal Deposit Insurance Corporation, and/or Federal Reserve Board, as well as other financial industry agencies and policy-making and regulatory bodies, may remain unknown for significant periods of time and could adversely affect the Clients<sup>2</sup> and their investments.

For example, in response to the rapidly declining financial condition of regional banks Silicon Valley Bank and Signature Bank, the California Department of Financial Protection and Innovation and the New York State Department of Financial Services closed Silicon Valley Bank and Signature, and the Federal Deposit Insurance Corporation was appointed as receiver for each of Silicon Valley Bank and Signature Bank. In response, the Department of the Treasury, the Federal Reserve Board, and the Federal Deposit Insurance Corporation stated that all depositors of Silicon Valley Bank and Signature would have access to all their deposits. Similarly, in the spring of 2023, the California Department of Financial Protection and Innovation closed commercial bank First Republic Bank, and the Federal Deposit Insurance Corporation seized its assets, following the rapid decline of First Republic Banks' financial condition.

Although the U.S. Department of the Treasury, the Federal Reserve Board, the Federal Deposit Insurance Corporation, and other financial institutions have taken measures to stabilize the financial system, uncertainty and liquidity concerns in the broader financial services industry remain. Additionally, should there be additional systemic pressure on the financial system and capital markets, there is no assurance that the response of any government, regulator, or market participant will be as favorable to industry participants as the recent measures have been. Highly publicized issues related to the U.S. and global capital markets in the past have led to significant and widespread investor concerns and market volatility. The aforementioned banking industry situation may lead to further rules and regulations for banks, financial institutions, and other financial market participants in both the U.S. and global capital markets, and complying with the requirements of any such rules or regulations may be burdensome. The recent bank closings have given rise to significant liquidity concerns in the broader financial services industry and to increased market volatility. Liquidity problems in the financial services industry could have an adverse effect on the Adviser's clients and their investment returns.

## **ITEM 9 – Disciplinary Information**

Neither the Adviser nor any of its executive officers, members of its investment committees or other “advisory affiliates” as defined in Form ADV has been subject to legal or administrative proceedings or disciplinary events related to their business activities, or otherwise is required to disclose any event required by this Item 9.

## **ITEM 10 – Other Financial Industry Activities and Affiliations**

The Adviser is affiliated with or a related party to, each of Terra Fund Advisors, LLC (“**TFA**”), Mavik GP and Terra Income Advisors 2, LLC (“**TIA2**”). The foregoing entities operate as a single advisory business and serve as advisers, managers or general partners of funds and other pooled vehicles and generally share common officers, partners, employees, consultants or persons occupying similar positions.

Mavik GP serves as the general partner of the Special Opps Fund and is subject to the Advisers Act pursuant to the Adviser’s registration in accordance with SEC guidance.

Through TFA’s wholly owned subsidiary TIA2, TFA provides investment advisory and administrative services to Terra Secured Income Fund 7, LLC. TFA previously provided investment advisory and administrative services to Terra Secured Income Fund 5, LLC, until Terra Secured Income Fund 5, LLC was wound up and terminated in February 2024. TFA and TIA2 are subject to the Advisers Act pursuant to TFA’s registration with the SEC as a related adviser of TRA.

Conflicts of interest with the Adviser’s Clients related to these relationships include, among possible others, the following:

- The directors, officers and other personnel of the Adviser allocate their time between advising the Clients and managing other investment activities and business activities in which they may be involved, including managing and operating Terra Capital Partners;
- The compensation payable by the Clients to the Adviser and other affiliates will be approved by the Client’s board of directors, board of managers, trustees or other governing body consistent with applicable law and the organizational and offering documents of such Client. Such compensation is payable, in most cases, whether or not a given Client’s shareholders receive distributions;
- The Adviser will be paid different fees by different Clients, which potentially leads to conflicts of interest;
- Regardless of the quality of the assets acquired, the services provided to the Clients or whether the Clients make distributions to their investors, the Adviser will receive certain fees in connection with the management of the Clients’ portfolio;
- From time to time, the Clients for which the Adviser provides investment management services or on whose behalf it carries on investment activities will

potentially make investments at different levels of an investment entity's capital structure or otherwise in different classes of an issuer's securities. These investments give rise to inherent conflicts of interest or perceived conflicts of interest between or among the various classes of securities that are held by the Adviser's Clients;

- The Adviser and its affiliates are not restricted from forming additional investment funds, from entering other investment advisory relationships or from engaging in other business activities, even though such activities will potentially compete with the Clients and involve substantial time and resources of the Adviser;
- The Adviser and its affiliates have the discretionary authority to recommend and/or cause certain Clients to contract for services with certain service providers, and the Adviser and/or its affiliates will potentially derive a financial or other benefit from such engagement, or otherwise have a relationship with such service providers. There can be no assurance that no other service provider could not provide the required services at higher quality and/or at lower cost;
- The Adviser and its affiliates reserve the right to cause a Client to invest in the same portfolio company as of another Client, and/or in another Client, which creates a potential incentive to use such transaction as a means of supporting such other Client; and
- The Clients reserve the right to seek to engage in co-investment or other affiliated transactions with the Adviser and its affiliates. Any of these co-investment opportunities have the potential to give rise to conflicts of interest or perceived conflicts of interest among the Clients.

To mitigate these conflicts, the Adviser will seek to execute such transactions for all of its Clients on a fair and equitable basis and in accordance with their respective allocation policies, taking into account such factors as the Clients' primary investment objective, relative amounts of capital available for new investments and the investment programs and portfolio positions of such Clients, and any other factors deemed appropriate.

To address conflicts of interest, Terra REIT has adopted related party transaction policies and procedures for the review and approval of any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) involving any of Terra REIT's executive officers, directors or director nominees, significant shareholders and their immediate family members, in which (1) the aggregate amount involved will or may be expected to exceed \$120,000 in any calendar year, (2) Terra REIT is a participant, and (3) any such related party has or will have a direct or indirect material interest. Any covered transaction must be approved by Terra REIT's board of directors (the "Terra REIT Board") or by a committee appointed by the Terra REIT Board consisting solely of disinterested directors (the "Terra REIT Appointed Committee"). In considering a covered transaction, the Terra REIT Board or the Terra REIT Appointed Committee will consider all relevant factors, including, as applicable, (i) Terra REIT's business rationale for entering into the

transaction, (ii) the available alternatives to the transaction, (iii) whether the transaction is on terms comparable to those available to or from third parties, (iv) the potential for the transaction to lead to an actual or apparent conflict of interest and (v) the overall fairness of the transaction to Terra REIT. On at least an annual basis, the Terra REIT Board or the Terra REIT Appointed Committee, as applicable, will monitor each related party transaction to assess whether it is advisable for Terra REIT to amend or terminate each such transaction.

Further, as discussed above, the Adviser, its personnel and certain affiliates are likely to experience conflicts of interest in allocating management time, services and functions among the Clients and any other business ventures in which they or any of their key personnel, as applicable, are or may become involved. This could result in actions that are more favorable to a given Client or other affiliated entities than to another Client. However, the Adviser believes that it and its affiliates have sufficient personnel to discharge fully their responsibilities to all activities in which they are involved.

A passive indirect minority interest of less than 25% in the Adviser is owned by Strategic Partners Real Estate VII Investments, L.P., an investment fund managed by Strategic Partners (the “**SP Fund**”). The SP Fund is also an investor in a Client and sought and negotiated certain modifications to standard terms in connection with its Client investment. Strategic Partners does not have authority over the day-to-day operations or investment decisions of the Adviser as they relate to the Clients, although it has negotiated certain minority protections in connection with its investment. Although it intends to maintain operations, strategy and investment decisions separate from Strategic Partners, the Adviser generally will have incentives to conduct operations in a manner that benefits Strategic Partners.

#### **ITEM 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

The Adviser has adopted a code of ethics (the “**Code**”) pursuant to Rule 204A-1 under the Advisers Act that establishes procedures governing the conduct and securities transactions of each of the Adviser’s officers, employees and supervised persons. The Code is designed to prevent violations of the fiduciary responsibilities owed by the Adviser to its Clients. The Code contains provisions relating to the confidentiality of firm information, a prohibition on insider trading, a discussion of media relations, a policy on gifts and personal securities trading procedures, among other things. Each supervised person of the Adviser is required to acknowledge in writing the terms of the Code annually and when it is amended.

The Code is designed to ensure, among other things, that the personal securities transactions, activities and interests of the officers, employees and supervised persons of the Adviser will not interfere with (i) making decisions in the best interest of its Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. In addition, the Code requires pre-clearance of certain

transactions. Employee trading is monitored under the Code to reasonably prevent conflicts of interest between the Adviser and its Clients.

The Adviser's Clients and prospective Clients may request to review the Code by contacting Bernadette Murphy, the Chief Compliance Officer, Terra REIT Advisors, LLC, 205 West 28<sup>th</sup> Street, 12<sup>th</sup> Floor, New York, NY 10001 or bernadette@mavikcapital.com.

As discussed in Item 10 above, conflicts of interest may arise from time to time as a result of the Adviser's relationships with its affiliates. For more information on the conflicts that may arise and how they will be addressed, see Item 10.

## **ITEM 12 – Brokerage Practices**

The assets that the Adviser obtains for its Clients are generally acquired and disposed of in privately negotiated transactions effectuated through a dealer network in which the dealer acts as principal and does not charge explicit commissions. As a result, the Adviser has not entered any soft dollar arrangements. When appropriate, the Adviser is primarily responsible for the execution of the publicly traded securities portion of its Clients' portfolio transactions and the allocation of brokerage commissions. The Adviser will seek to obtain the best net results for the Adviser's Clients, considering such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution and operational facilities of the firm and the firm's risk and skill in positioning blocks of securities. While the Adviser will generally seek reasonably competitive trading execution costs, the Adviser's Clients will not necessarily pay the lowest spread or commission available. Subject to applicable legal requirements, the Adviser may select a broker based partly upon brokerage or research services provided to the Adviser or any of their respective Clients. If the Adviser uses brokerage commissions to obtain research or other products or services, the Adviser will receive a benefit because they will not have to produce or pay for the research, products or services. As a result, the Adviser potentially has an incentive to select or recommend a broker-dealer based on their interest in receiving the research or other products or services, rather than on the Adviser's Clients' interest in receiving most favorable execution. In return for such services, Clients will potentially pay higher commissions than other broker-dealers would charge if the Adviser determines in good faith that such commission is reasonable in relation to the services provided.

## **ITEM 13 – Review of Accounts**

The Adviser manages active portfolios for its Clients. These portfolios are reviewed and/or monitored daily by the Adviser to consider, among other things, their composition, performance, and compliance with applicable legal requirements. The supervised persons who conduct the review are Vikram S. Uppal, Chief Executive Officer/Chief Investment Officer; Daniel Cooperman, Chief Originations Officer; and Gregory Pinkus, Chief Financial Officer/Chief Operating Officer, of the Adviser, and their respective teams.

In addition, with respect to the Clients' portfolios, the assets are valued and reviewed on a quarterly basis by the Adviser's Valuation Committee.

Certain factors that may be considered in determining the fair value of the Adviser's investments for its Clients include dealer quotes for securities traded on the secondary market for institutional investors, the nature and realizable value of any collateral, the portfolio company's earnings and its ability to make payments on its indebtedness, the markets in which the portfolio company does business, comparison to publicly-traded companies, discounted cash flow analysis and other relevant factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, the Adviser's determination of fair value may differ materially from the values that would have been used if a ready market for these investments existed.

#### **ITEM 14 – Client Referrals and Other Compensation**

The Adviser has a written contractual arrangement with several third-party firms, including Incubation Capital Partners, LLC, Acervus Securities, and Four Points Capital Partners, LLC, which are unaffiliated broker-dealers registered with the SEC, for the provision of investor referral services for the Special Opps Fund. Each written contractual arrangement is based, at least in part, on an asset-based compensation arrangement for the referral of investors to the Clients.

#### **ITEM 15 – Custody**

The Adviser is deemed to have custody of client (the Clients') assets because affiliates in the group serve as the general partners to the Clients. The assets of the Clients will be held with qualified custodians and the Adviser will ensure that investors in the Clients are provided annually with audited financial statements prepared in accordance with generally accepted accounting principles, which will be delivered within 120 days after the end of a Fund's fiscal year. The independent public accountant retained to perform the Clients' annual audit will at all times be registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board.

#### **ITEM 16 – Investment Discretion**

The Adviser has full discretion to invest on behalf of its Clients; provided that the Adviser will evaluate all investments and their appropriateness based on the unique investment objectives and policies each Client.

#### **ITEM 17 – Voting Client Securities**

The Adviser may recommend investments in equity securities. In such case, the Adviser recognizes that, as an investment adviser registered under the Advisers Act, the Adviser has a fiduciary duty to act solely in the best interests of its Clients. As part of this duty, the Adviser may adopt proxy voting policies and procedures. The Adviser recognizes that it must vote Client securities in a timely manner free of conflicts of interest and in the best interests of its Clients.

Under such proxy voting policies and procedures so adopted, the Adviser will vote proxies related to portfolio securities in the best interest of its Client's shareholders. The Adviser



will review, on a case-by-case basis, each proposal submitted for a shareholder vote to determine its impact on the portfolio securities held by the Adviser's Clients. Although the Adviser will generally vote against those proposals that would have a negative impact on its Clients' portfolio securities, the Adviser may vote for such a proposal if there exist compelling, long-term reasons to do so.

The Adviser's proxy voting decisions will be made by the senior officers who are responsible for monitoring each of the investments held by its Clients. To ensure that their votes are not a product of a conflict of interest, the Adviser will require that: (i) anyone involved in the decision-making process disclose to the Adviser's Chief Compliance Officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (ii) employees involved in the decision-making process or vote administration are prohibited from revealing how the Adviser intends to vote on a proposal in order to reduce any attempted influence from interested parties.

To request a copy of the Adviser's proxy voting policy, please send a written request to: Chief Compliance Officer, Terra REIT Advisors, LLC, 205 West 28<sup>th</sup> Street, 12<sup>th</sup> Floor, New York, New York 10001.

#### **ITEM 18 – Financial Information**

The Adviser is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair the Adviser's ability to meet contractual and fiduciary commitments to its Clients and has not been the subject of a bankruptcy petition at any time during the past ten years.