

FIRM BROCHURE
OF
VALSTONE PARTNERS VI, LLC
(including ValStone Partners V, LLC and ValStone Healthcare Properties Fund Manager,
LLC)

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This Brochure provides information about the qualifications and business practices of ValStone Partners VI, LLC, ValStone Partners V, LLC, and ValStone Healthcare Properties Fund Manager, LLC. If you have questions about the contents of this Brochure, please contact us at (248) 646-9200. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about us is also available at the SEC’s website at www.adviserinfo.sec.gov.

Our reference to ourselves as being a “registered investment adviser” or as being “registered” with the SEC does not imply a certain level of skill or training.

This Date of this Brochure is March 29, 2024

Item 2. Material Changes.

The purpose of this section is to identify and discuss the material changes made to this Brochure since the last annual update, which was filed on March 30, 2023. Changes include updated language in (these changes are also reflected in our other than annual amendment dated November 17, 2023):

- Item 4 to reflect the assets under management as of December 31, 2023.
- Item 5 to enhance disclosures for clarity regarding the application of certain fees and expenses that may be borne by investors.
- Items 4, 5 and 10 have been expanded upon to provide more detailed disclosure regarding the scope of services provided to the ValStone Funds and their investment vehicles by ValStone Asset Management, LLC (“VAM”), an affiliate of ValStone, and clarifying the role and relationship with VAM, including enhanced disclosures to: (i) include a comprehensive explanation of VAM’s role in the provision of management and advisory oversight services performed on behalf of a ValStone Fund or in respect to the operation of an investment vehicle of a ValStone Fund; (ii) address the conflicts of interest that arise as a result and detailing how mitigated; and (iii) describe how co-investment expenses are allocated.
- We have also updated language in Item 5 to reflect that ValStone Healthcare Properties Fund, L.P. has converted from an open-end (or evergreen) fund to a closed-end fund.
- We have also rearranged language in Items 4, 5 and 10 to enhance clarity.
- We have also made certain immaterial changes to Item 8 to conform to the changes made in Items 4, 5 and 10 and to make immaterial updates to the language in Item 8.

Item 3. Table of Contents.

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Item 4. Advisory Business.

For purposes of this Brochure, “ValStone,” “ValStone Partners,” or references to “us,” “we,” or similar term means ValStone Partners VI, LLC, a Delaware limited liability company, together with its affiliates, ValStone Partners V, LLC, a Delaware limited liability company, and ValStone Healthcare Properties Fund Manager, LLC, a Delaware limited liability company.

ValStone Partners is a private investment firm with offices in Birmingham, Michigan and Baltimore, Maryland. Among other things, ValStone Partners coordinates the activities of its sponsored private investment funds (sometimes referred to herein as the “ValStone Funds” or “Funds”) through which ValStone Partners makes investments on behalf of its investors and itself. The ValStone Funds are not required to register as investment companies under the Investment Company Act of 1940 (the “Investment Company Act”) pursuant to exemptions from registration provided by Section 3(c)(1) and/or Section 3(c)(7) of the Investment Company Act (i.e., a private investment fund).

Background

ValStone Partners, LLC, an affiliate of ValStone Partners VI, LLC, ValStone Partners V, LLC, and ValStone Healthcare Properties Fund Manager, LLC, commenced business in 1999 by combining the professional resources of GC Timmis & Company, a Birmingham, Michigan company controlled by Gerald C. Timmis III, which operated as a broker-dealer member of the NASD from 1993 to 2005, and Carnegie Morgan Partners, a Baltimore, Maryland company controlled by Larry E. Jennings, Jr., which operated as a financial advisory firm to state and local governments and their agencies and non-profit organizations from 1994 to 2003. ValStone Partners V, LLC commenced business in 2011, ValStone Partners VI, LLC commenced business in 2016, and ValStone Healthcare Properties Fund Manager, LLC commenced business in 2018.

As of January 1, 2024, ValStone Partners (i.e., each entity described above) is wholly owned by ValStone Partners Holdings, LLC. ValStone Partners Holdings, LLC is owned by Gerald C. Timmis III, Larry E. Jennings, Jr., Tartan5000 LLC (which is owned by Larry E. Jennings, Jr.), Tiger8000 LLC (which is owned by Katherine V. Jennings (Mr. Jennings’ spouse)), and Eric R. Abel and Deborah Abel as tenants by the entireties, with Gerald C. Timmis III owning 25% or more of ValStone Partners Holdings, LLC.

We are managed by Mr. Timmis and Mr. Jennings, who serve as the co-managers of ValStone Partners. Our investment committee is comprised of Messrs. Timmis and Jennings and our other principal, Mr. Abel (in this Brochure, we sometimes refer to Messrs. Timmis, Jennings and Abel as our “Principals”).

Advisory Services

ValStone Partners VI, LLC, ValStone Partners V, LLC, and ValStone Healthcare Properties Fund Manager, LLC are special purpose vehicles under common control with one another formed for the purpose of serving as the manager and investment advisor of specific ValStone Funds. ValStone Partners V, LLC and ValStone Healthcare Properties

Fund Manager, LLC are subject to ValStone Partners VI, LLC's supervision and control and, like ValStone Partners VI, LLC, are subject to the Investment Advisers Act of 1940 (the "Advisers Act") and the rules promulgated thereunder, and to examination by the SEC.

ValStone manages the Funds in accordance with the investment strategy and relevant terms set forth in the operating agreement or limited partnership agreement and/or offering memorandum of each Fund. As of December 31, 2023, all of our Funds are being wound down (investments being sold but new investments not being purchased unless protective of an existing investment and permitted by the terms of a Fund's operating agreement or limited partnership agreement), and any discussion in this Brochure regarding prospective investments relates to any new private investment fund that we sponsor in the future. Also, while we are not prohibited from having non-private investment fund clients, it is not a focus of our business and we had no such clients during 2023 or (to date) during 2024.

As of December 31, 2023, we managed client assets of approximately \$753,783,758. This includes real estate owned and commitments to our private investment fund clients. We manage 100% of such client assets on a discretionary basis, where we have the authority to decide which securities and other assets to purchase and sell for our clients.

ValStone directs and manages the investment of the Funds' assets. Investment advice is provided directly to the Funds and not individually to the investors in the Funds. As investment adviser, we (i) provide investment advice to our private investment funds, including, but not limited to, determining the composition of the portfolio of investments of each of our private investment funds, the nature and timing of the changes therein, and the manner of implementing such changes; (ii) source investments for our private investment funds (which includes, without limitation, interacting with sellers, brokers, finders, and other intermediaries and travel related thereto); (iii) conduct and oversee investment due diligence (which includes, without limitation, research, financial analysis, and retaining third-party experts and coordinating their activities and evaluating their findings); (iv) establish the terms of the purchase and sale of investments and loan workout resolutions; (v) retain the services of service providers, which includes affiliates, and evaluate, manage, and direct the activities and reports provided by such service providers; (vi) monitor and oversee regulatory and tax law compliance for our private investment funds; (vii) monitor and oversee our private investment funds' reporting to investors pursuant to each private investment fund's operating agreement or limited partnership agreement, and to regulators pursuant to applicable law; (viii) prepare for and respond to regulatory inquiries related to our private investment funds; and (ix) monitor and oversee the financial and operational performance of the assets of our private investment funds.

See Item 10 for more information regarding ValStone's advisory services provided to the Funds.

Item 5. Fees and Compensation.

We are (or one of our affiliates is) compensated for our services to our private investment fund clients with (i) a fee based on the amount of capital that has been committed to invest in the private investment fund or the value or cost of the private investment fund's assets (the "Investment Advisory Fee"), (ii) a performance based fee in the nature of a partnership allocation (the "Performance Fee"), and/or (iii) fixed fees. These fees are described in each private investment fund's operating or limited partnership agreement and/or the investment advisory agreements between us and our private investment fund clients. We or one of our affiliates serves as the manager or general partner of our private investment fund clients and, as such, we pay ourselves any fees owed to us by our private investment fund clients.

We and/or our affiliates will not take a Performance Fee with respect to or related to funds invested by a member or limited partner into one of our private investment fund clients unless (a) the private investment fund client is not required to register as an investment company under the Investment Company Act pursuant to the exemption from registration provided by Section 3(c)(7) of the Investment Company Act or (b) that member or limited partner is a "qualified client" as defined in Rule 205-3 under the Advisers Act. In all cases, unless otherwise provided by the terms of the private investment fund's operating or limited partnership agreement or the investment advisory agreement between us and our private investment fund clients, any fees paid but not earned will be appropriately prorated upon termination (generally based on the number of days in a quarter during which investment advisory services were provided over the number days in the quarter), and we will return the unearned fee to our private investment fund client. These fees do not include fees that our private investment fund clients pay directly or indirectly to our affiliate asset manager, ValStone Asset Management, LLC. Fees payable to ValStone Asset Management, LLC are discussed below.

Each of our private investment fund clients will generally bear its own organizational and administrative expenses, and we and our affiliates will generally be reimbursed for any expenses incurred for the benefit of the private investment fund clients. In general, these expenses are described in each private investment fund's operating or limited partnership agreement and/or the investment advisory agreements between us and our private investment fund clients. In that regard, in general, all third-party organizational expenses and fees incurred in connection with the organization of each private investment fund client (up to any applicable cap as discussed below) are borne by the private investment fund, and the private investment fund clients reimburse us and our affiliates for any out-of-pocket expenses incurred by us and our affiliates in connection with their organization. Also, in general, each private investment fund is responsible for and pays all costs and expenses related to its business and operations, including, but not limited to, costs and expenses related to the offering of membership or limited partnership interests in the private investment fund and the administration, origination and investment activities of the private investment fund (provided, however, that our private investment fund's operating or limited partnership agreements impose caps on the organizational and offering expenses paid by the private investment fund). Accordingly, in general, we and our affiliates are entitled to reimbursement from our

private investment fund clients to repay any such costs and expenses that we or our affiliates incur on their behalf. Such costs include, without limitation, legal, compliance (provided, however, that the costs of ValStone Partners' general compliance with the Advisers Act is borne by ValStone Partners), appraisal, accounting, auditing, custodial, regulatory and tax reporting, financial reporting, consulting, postage, materials, supplies, printing, copying, communications, data, data processing, brokerage, due diligence (including due diligence and legal expenses of potential investors in the private investment funds), research, travel, entertainment, temporary employees, contract labor, and other costs and expenses paid. Item 12 of this Brochure discusses brokerage.

When we have non-private investment fund clients, they will compensate us for our services with (i) a percentage of assets under management, (ii) performance-based fees, (iii) fixed fees, and/or (iv) hourly charges. Our non-private investment fund clients are limited to "qualified clients" as defined in Rule 205-3 of the Advisers Act. These fees will be described in each investment advisory agreement between us and any non-private investment fund client. In all cases, unless otherwise provided by the terms of the investment advisory agreement, we will appropriately prorate upon termination any fees clients have pre-paid that we have not earned (generally based on the number of days in a quarter during which investment advisory services were provided over the number days in the quarter) and will return such fees to the clients. Historically, the provision of investment advisory services to non-private investment fund clients has not been a material part of our business, and we do not currently have any non-private investment fund clients.

Investment Advisory Fee: We receive an annual Investment Advisory Fee payable quarterly in advance or at the end of each quarter (depending upon the terms of a specific private investment fund's operating or limited partnership agreement). In general, except with respect to ValStone Healthcare Properties Fund, L.P., for which ValStone Healthcare Properties Fund Manager, LLC, serves as investment adviser, the Investment Advisory Fee is equal to 1% to 2.5% (depending on the terms of a specific private investment fund's operating or limited partnership agreement) of the capital that the members or partners of the private investment fund commit to invest in the private investment fund until the investment period (generally a three to seven year period) terminates. In some cases this fee is blended, as a specific private investment fund's operating or limited partnership agreement or agreement with a member or partner may adjust the fee allocable to a specific member or partner or group of members or partners (e.g., the fee may be different based on the amount of capital invested and could be more or less than percentages set forth above). Thereafter, during a wind-down period, the Investment Advisory Fee is equal to 1% to 2.5% (depending on the terms of a specific private investment fund's operating or limited partnership agreement) (and which may be blended as described above and could be more or less than percentages set forth above) of: (i) the value or cost of the private investment fund's investments (as determined by the methodology set forth in a specific private investment fund's operating or limited partnership agreement); (ii) the capital that the members or partners of the private investment fund commit to invest in the private investment fund; (iii) the net capital actually contributed at any point in time by the members or partners of the private investment fund; or (iv) some combination of the foregoing (depending on the terms of a

specific private investment fund's operating or limited partnership agreement). With respect to ValStone Healthcare Properties Fund, L.P., the Investment Advisory Fee will always be based on a percentage (which may be blended as described above and could be more or less than percentages set forth above) of the fund's net asset value (as determined by the methodology set forth in its limited partnership agreement). The Investment Advisory Fee also is subject to such other terms and conditions as set forth in the investment advisory agreements between ValStone Partners and its private investment fund clients and/or in a private investment fund's operating or limited partnership agreement.

Unless we agree that our Investment Advisory Fee will be reduced by the amount of any placement agent, sales agent, or finders' fees, a member or limited partner in one of our private investment fund clients may be required to pay any such fees in connection with an investment in a private investment fund client. In addition, the terms of our private investment fund clients' operating, or limited partnership agreement may provide that our Investment Advisory Fee will be reduced in the event we receive break-up fees in connection with assets that we seek to acquire for our private investment fund clients.

Performance Fee: The terms of our private investment fund clients' operating or limited partnership agreements provide that such private investment funds will make distributions to their members or partners (including to us and/or our affiliates in our or their capacity as a member or partner of the private investment fund) with respect to cash available for distribution, at such times as we determine in accordance with the terms of the applicable private investment fund operating or limited partnership agreement. Except with respect to ValStone Healthcare Properties Fund, L.P., such distributions are made generally in the following order and priority:

a. Preferred Return: First, 100% to all members or partners (including ValStone Partners and/or an affiliate of ValStone Partners) until cumulative distributions to each such member or partner represents an annual rate of return of between 0% and 10% (depending on the terms of a specific private investment fund's operating or limited partnership agreement) on such members' or partners' paid-in capital contributions.

b. Return of Capital: Second, 100% to all members or partners (including ValStone Partners and/or an affiliate of ValStone Partners) until each such member or partner receives distributions equal to its paid-in capital contributions.

c. Carry/Catch-up: (i) 10% to 30% to the members or partners (including ValStone Partners and/or an affiliate of ValStone Partners) in proportion to their respective capital contributions and (ii) 90% to 70% to ValStone Partners and/or an affiliate of ValStone Partners until ValStone Partners and/or an affiliate of ValStone Partners has received an amount equal to between 10% and 30% (depending on the terms of a specific private investment fund's operating or limited partnership agreement) of all distributions made by the private investment fund pursuant to paragraph (a) above (preferred return) and this paragraph (c) (Carry/Catch-up).

d. Carry/Post Catch-up: Thereafter (i) 90% to 70% to each member or partner (including ValStone Partners and/or an affiliate of ValStone Partners) in proportion to their respective capital contributions and (ii) 10% to 30% to ValStone Partners and/or an affiliate of ValStone Partners (depending on the terms of a specific private investment fund's operating or limited partnership agreement).

In general, distributions from ValStone Healthcare Properties Fund, L.P., are made as follows:

a. During the term of the ValStone Healthcare Properties Fund, L.P., distributions are made to partners pro-rata based on the number of units held by the partner and

b. Upon termination of ValStone Healthcare Properties Fund, L.P., liquidating distributions will be made between the ValStone affiliate that is the general partner of the fund and the limited partners of the fund as follows (i) with respect to each limited partner, the general partner will receive a performance fee of 10% of the amount by which return to the limited partner exceeds a 7% annually compounded internal rate of return on the limited partner's investment and (ii) to the partners pro-rata based on the number of units held by the partners.

Effective as of November 7, 2022, ValStone Healthcare Properties Fund, L.P. converted from an open-end (or evergreen) fund whereby new investors could be admitted and existing investors could redeem their interests (subject to the redemption terms in the limited partnership agreement, to a closed-end fund whereby no new investor can be admitted and there are no redemptions during the term of the fund). Prior to the conversion of the fund from open-end to closed-end, the general partner was eligible to receive (and with respect to some limited partners received) a performance fee with respect to each limited partner via a partnership allocation (carried interest) equal to a percentage of the positive performance of such limited partner's interest in the fund over a measurement period (or upon redemption) for that limited partner with a preferred return of 7% for such measurement period and catch-up with respect to the preferred return similar to that described above.

Any Performance Fee is also subject to such other terms and conditions as set forth in a private investment fund's operating or limited partnership agreement.

In general, each private investment fund's operating or limited partnership agreement will provide that we and/or our affiliates are entitled to special distributions in order to fund any tax liability imposed on us and/or our affiliates (or the direct or indirect members thereof) by virtue of our or our affiliates ownership interest in the private investment fund (the "Special Tax Distribution"). In general, in such cases, the amount that would otherwise be distributed to us and/or to our affiliates as described above (depending on the terms of a specific private investment fund's operating or limited partnership agreement) will be reduced by the amount of such Special Tax Distribution.

Fixed Fees; Percentage of Assets under Management; Hourly Charges: We currently have no fixed fee arrangements with our private investment fund clients. Any fixed fee and/or other fee arrangement with our private investment fund clients would be at such terms as are set forth in the private investment funds' operating or limited partnership agreements and/or the investment advisory agreements between us and our private investment fund clients.

We will negotiate fixed fee, performance-based fees, percentage of assets under management, and/or hourly charges on a case-by-case basis with any non-private investment fund clients. We do not have a basic fee schedule for such services as all such fees are negotiable, and the timing of the payment of such fees is similarly negotiable. In general, a fee based on assets under management would likely range between 1% and 2.5%, and hourly fees would likely range from \$50 to \$1,000 per hour for each of our employees. We bill any non-private investment fund clients for the amounts that they owe us. We currently have no non-private investment fund clients.

Co-Investment Expenses

When co-investing (whether with another of our private investment fund clients, an institutional investor and/or an operating partner), our private investment fund client(s) and the co-investor (if any) typically will utilize a separate investment vehicle, such as a limited liability company, partnership, joint venture, or other entity, to hold, directly or indirectly, the co-invested assets. Historically, operating partners often have co-invested with our private investment fund clients in the transactions they manage and received performance-based compensation to further incentivize them and align their interests with those of our private investment fund clients.

In general, co-investors bear the costs of their own administration, origination, and investment activities, which activities may result in investments with our private investment fund clients. This means that even when pursuing an investment together, co-investors bear their own personnel costs (e.g., the personnel costs of their admin and investment professionals) and other overhead. However, unless otherwise agreed with a co-investor, each of our private investment fund client(s) and the co-investor will bear their pro rata share of combined deal related expenses (e.g., the fees of a specialized service provider for the deal) in accordance with their ownership percentages in the investment vehicle. Also, because they are billed to the investment vehicle, unless otherwise agreed with a co-investor, each will bear their pro rata costs of ongoing expenses.

Co-investors do not pay any portion of the Investment Advisory Fee that we are paid by our private investment fund clients (or their investors), and do not pay any portion of the fees paid by our private investment fund clients for services rendered to them by an Asset Manager (including ValStone Asset Management, LLC) for Asset Management Services (each as defined and described below and in Item 10). As they are ongoing expenses of the investment vehicle, the co-investor does pay its pro rata share of any fees paid to a Property Manager (including ValStone Asset Management, LLC) for Property Level Services (each as defined and described below and in Item 10).

Fees Payable to ValStone Asset Management

ValStone Asset Management, LLC, a Delaware limited liability company (“VAM”), is an affiliate of ValStone Partners, and receives fees (as further described herein) in connection with services it provides to the Funds and their investment vehicles and the investments themselves. VAM is paid a fee for the Asset Management Services that it provides, which is paid by the applicable Fund(s), and is paid a fee for the Property Level Services that it provides, which is paid by the investment vehicle that owns the investment or by the investment directly (these services are defined and are more fully described in Item 10 of this Brochure). These fees have historically approximated VAM’s costs and, subject to the terms of the respective Fund’s operating or limited partnership agreement and/or investor offering memorandum (if any), a markup (historically 10%) of costs. These fees are separate and apart from the Investment Advisory Fee that we receive.

VAM’s fees are allocated amongst the Funds, investment vehicles and investments (as applicable), in accordance with standard internal procedures that VAM considers equitable, the terms of the respective Fund’s operating or limited partnership agreement, investor offering memorandum (if any) and/or communications with investors. In many cases, however, the allocation of such fees is a matter of judgment and can result in a conflict of interest.

In order to reduce their respective expenses, ValStone Partners shares overhead with VAM, including assigning personnel who we employ to perform services for VAM, and vice versa. Subject to the terms of the respective Fund’s operating or limited partnership agreement, investor offering memorandum (if any) and/or communications with investors, VAM pays ValStone Partners for such services but will not pay for the services of the Principals (i.e., Messrs. Timmis, Jennings, and Abel). Similarly, subject to the terms of the respective Fund’s operating or limited partnership agreement, investor offering memorandum (if any) and/or communications with investors, ValStone Partners pays VAM for such services. Subject to the respective Fund’s operating or limited partnership agreement, investor offering memorandum (if any) and/or communications with investors, ValStone Partners and VAM seek to allocate such shared overhead and personnel on a basis they consider equitable. In many cases, however, the allocation of such expenses is a matter of judgment.

With respect to shared personnel between us and VAM, staff (other than the Principals) bill their time according to the services they provide (e.g., investment management, Asset Management Services or Property Level Services). (The Principals do not bill their time because there is no fee received by VAM or paid to us for Asset Management Services or Property Level Services performed by the Principals). Time billed to investment management services is paid out of the Investment Advisory Fee. Time billed to Asset Management Services is paid by the applicable Fund(s) to which the services are provided. Time billed to Property Level Services are paid by the investment vehicle holding the investment or the investment itself. This can present a conflict of interest if time for investment management services is advertently or inadvertently billed to Asset Management Services or Property Level Services, because a Fund would then

pay (directly or indirectly through an investment vehicle) for services that should have been covered by the Investment Advisory Fee.

Regarding shared overhead, this can result in a conflict of interest because if overhead is advertently or inadvertently charged to VAM instead of to us, then a Fund (directly or indirectly through an investment vehicle) would ultimately pay for overhead that should have been covered by the Investment Advisory Fee.

With respect to allocations generally, we have implemented robust procedures designed to ensure consistency and fairness amongst our investment clients the Funds, however the relationship with VAM presents conflicts of interest. We further address the conflicts of interest that are presented in Item 10 below.

For the avoidance of doubt, fees paid to VAM for Asset Management Services and Property Level Services do not reduce the Investment Advisory Fee that ValStone Partners receives.

For more fulsome disclosure of the distinction of services that we provide and the services provided by VAM, including discussion of the conflicts of interests, please refer to Item 10 of this Brochure.

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

As discussed in Item 5 above, we and/or our affiliates receive performance-based fees from our private investment fund clients. To the extent we have any non-private investment fund clients, we will receive a performance-based or another type of fee from our non-private investment fund clients to the extent provided for in the investment advisory agreement with the non-private investment fund client. As stated in Item 4, we do not currently have any non-private investment fund clients.

We face certain conflicts of interest if we manage at the same time client accounts that are and that are not charged performance-based fees because we can potentially receive greater fees from our clients with which we have a performance-based compensation structure than from those clients that we charge a fee unrelated to performance. As a result, we might have an incentive to favor clients that pay a performance fee by, for example, directing the best investment opportunities to such clients. Also, our investment advisory agreement or other governing agreements with our private and non-private investment fund clients (and whether or not we charge a performance-based fee) can provide that we are required to offer certain types of investment opportunities to that client and, therefore, the investment opportunity would not be available in whole or in part to another client. Currently, this is not an issue for us because, as discussed in Item 4, all of our Funds are being wound down.

We disclose these conflicts to our clients and/or, if appropriate, to the investors in our private investment funds. In allocating investment opportunities among these different types of clients, we are subject to our general fiduciary duty to all clients.

Item 7 Types of Clients.

We provide investment advice and serve as the manager or general partner and/or investment advisor of one or more limited liability companies or limited partnerships in the business of investing in securities and other assets (i.e., private investment funds). The private investment funds are not required to register as investment companies under the Investment Company Act pursuant to exemptions from registration provided by Section 3(c)(1) and/or Section 3(c)(7) thereunder. The members or limited partners in such private investment funds can be any type of “legal” person, including, without limitation, individuals, partnerships, corporations, limited liability companies, trusts, or governmental entities or instrumentalities. Similarly, our non-private investment fund clients can also be any type of “legal” person.

We will not provide investment advisory services to any client unless the client has available a minimum amount of assets on hand or a minimum amount of commitments available from the client’s members or limited partners. We determine this minimum amount on a client-by-client basis. Also, our non-private investment fund clients are limited to “qualified clients” as defined in Rule 205-3 of the Advisers Act.

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

General. We use various methods of analysis and investment strategies in formulating investment advice and managing assets, as described below. You should be aware that investing in securities and the other assets in which ValStone Partners invests always involves the risk of loss, including possible risk of loss of your entire investment. You should be prepared to bear such a loss.

In general, our private investment fund clients have been organized to invest primarily in real estate-related debt obligations and other assets, including real estate, operating companies, and special situations, that we believe are inefficiently priced as a result of business, financial, market, legal, or other uncertainties (and with respect to ValStone Healthcare Properties Fund, L.P., focused on senior housing). However, in general, our private investment fund clients are opportunity funds, which means the funds reserve the latitude to invest, on an opportunistic basis but subject to any limitations contained in the operating or limited partnership agreements of our private investment fund clients, in such assets as we determine to be appropriate. Subject to any limitations contained in the operating or limited partnership agreements of our private investment fund clients, our private investment fund clients may invest in partnership with other private investment funds that we manage and/or with institutional investors. Our non-private investment fund clients will generally invest in these same types of assets. We provide investment advice with respect to these types of assets.

Investments in Debt Obligations. Investments in debt obligations may include: (i) non-performing and sub-performing commercial real estate loans; (ii) indebtedness of financially-troubled or bankrupt companies (frequently these loans will be secured by real estate); (iii) publicly traded municipal bonds, including conduit bonds, and corporate bonds; (iv) performing, sub-performing and non-performing commercial and industrial

debt obligations; (v) regional development loans; (vi) non-performing and sub-performing residential real estate loans and consumer loans; and (vii) other non-investment grade debt obligations. It may also include financing new commercial loans, commercial mortgage loans and bridge and Debtor in Possession (DIP) loans.

Investments in Real Estate. Investments in real estate may include situations where a capital infusion, de-leveraging, more aggressive management, and/or repositioning offers significant potential for improved performance. It may also include investments in development projects, including stalled development projects and ground-up construction. Clients may also acquire real estate assets as a result of the foreclosure of its real estate secured debt investments, where it is the high bidder at the foreclosure sale, or through a deed in lieu of foreclosure with the borrower.

Investments in Operating Companies. Investments in operating companies may include companies that are complementary to our real estate investments or may include troubled or turnaround opportunities (e.g., companies (i) facing operating problems or liquidity issues, (ii) undergoing or that are likely to undergo reorganization under bankruptcy or similar laws, (iii) that are or have been engaged in other extraordinary transactions, such as debt restructuring, reorganization, and liquidation outside of bankruptcy, (iv) engaged in a consolidating or overlooked industry (other than with respect to ValStone Healthcare Properties Fund, L.P., which is focused on senior housing), and/or (v) facing succession issues).

Investments in Special Situations and Other Assets. Investments in special situations and other assets may include financial instruments, structured settlements, tax liens, tax judgments, leases (including finance, operating, and leveraged leases), and other opportunities that present themselves.

Investment Strategies and Methods of Analysis. In general, our strategies used to implement investment advice given to clients is based upon patience, thorough due diligence, rigorous financial analysis, demanding return hurdles, a going-in strategy for enhancing asset value after acquisition, and, finally, an exit strategy or, in other words, a strategy for possible value realization through an asset sale or other exit strategy. Our expected holding period for any single investment is generally between three and five years (five to ten years with respect to ValStone Healthcare Properties Fund, L.P.). For some, generally less liquid, more management-intensive assets, however, the holding period may be longer, while for other, generally more liquid assets, it may be shorter. To provide downside protection for our clients, we will employ risk management techniques. Such techniques may include, without limitation, seeking to purchase investments at a discount to intrinsic value and, when necessary, hedging strategies, including borrowing, as further described below.

As indicated above, we generally will not cause a client to make an investment for which we have not contemplated at least one possible value realization strategy (exit strategy). Common examples of exit strategies, by asset class, include, without limitation: (i) with respect to investments in debt obligations: restructuring non performing financial obligations into performing financial obligations; discounted

payoffs of financial obligations; refinancing a portfolio of financial obligations using capital markets techniques such as securitization; and foreclosing on the collateral underlying a financial obligation; (ii) with respect to assets in real estate: replacing property management; improving operations; completing deferred maintenance; repositioning; and sale of the property; and (iii) with respect to investments in operating companies: replacing company management; improving operations; recapitalizing the balance sheet; and selling assets on a leveraged basis and liquidation of the company.

Among other methods, we analyze investment opportunities fundamentally, technically and based on forecasted cash flows.

Fundamental analysis entails attempting to measure an asset's intrinsic value by examining related economic, financial, and other qualitative and quantitative factors. As part of this analysis, we attempt to study factors that can affect the assets value, including macroeconomic factors (such as the overall economy and industry conditions) and asset-specific factors (such as a company's financial condition and management). The end goal of performing fundamental analysis is to produce a value that we can compare with the asset's price, so we can determine if a particular investment is undervalued or otherwise an appropriate investment for our clients.

Technical analysis is a method of evaluating assets by analyzing statistics generated by market activity, such as past prices. Under this type of analysis, which is basically the opposite of fundamental analysis, we seek to identify patterns that can suggest future activity with respect to an investment instead of attempting to measure an asset's intrinsic value.

Based on due diligence, we attempt to forecast the cash flows associated with a potential investment., and then seek to purchase the investment at a net present value of such cash flows as determined by applying a discount rate we believe is appropriate.

We use various sources of information in formulating our investment strategies. Among other things, we obtain information through our, our affiliates', our institutional co-investors' and/or our operating partners' "due diligence" review of the transaction and other documents related to the assets in which our clients invest and our financial analysis of such information.

Borrowing. Our private investment fund clients, and/or an investment vehicle through which a private investment fund directly or indirectly invests, are permitted to borrow money, including to pay expenses, to provide "bridge" financing prior to receiving capital contributions and to enhance the expected rate of return. The private investment fund clients and investment vehicles are also permitted to guaranty loans, extensions of credit and other obligations. Any such borrowing, if we decide not to pursue third party financing, may be lent by us or an affiliate and/or any one or more members or limited partners of our private investment fund clients (or of an investment vehicle) (or their owners) on such terms as we establish. With respect to any loan from us or one of our affiliates, however, the terms of such loan (i) will be materially the same as the private investment fund client (or an investment vehicle) could obtain from an

unrelated third party at the time of the loan and/or (ii) will be subject to any specific provisions relate thereto as set forth in the private investment fund's operating or limited partnership agreement and/or investor offering memorandum (if any). We can allocate the lending opportunity to ourselves or an affiliate and/or any one or more members or limited partners of our private investment fund clients (or of an investment vehicle) (or their owners), in any proportion we select in our discretion, subject to any contrary terms in the private investment fund's operating or limited partnership agreement and/or investor offering memorandum (if any). Neither ValStone Partners, any affiliate of ValStone Partners nor any member or limited partner will be obligated to lend any money.

The terms of the loan documents in which one of our private investment fund clients (or an investment vehicle) enters into, such as with a deposit account control agreement or where deposits are held at the lender, can give the lender (which, as indicated above, could be a member or limited partner of our private investment fund clients (or of the investment vehicle) (or their owners)) direct access to the private investment fund's (or an investment vehicle's) accounts (whether bank or custodial). Although the lender is required to comply with the terms of the loan documents, the risk exists that a lender misappropriates the private investment fund's (or the investment vehicle's) accounts.

Material Risks. The following is a brief explanation of the material risks associated with our investment strategy. Some of these risks may not apply to one or more of our private investment fund or non-private investment fund clients depending on the terms of each private investment fund client's operating or limited partnership agreement or each non-private investment fund client's investment advisory agreement, as applicable.

Subject to any limitations contained in the operating or limited partnership agreements of our private investment fund clients, our broad investment mandate generally imposes few formal constraints on the type of investments that we may pursue for clients, whether by asset class, geography, or otherwise. Any limitations will be described in each private investment fund's operating or limited partnership agreement and/or the investment advisory agreements between us and our private and non-private investment fund clients. Accordingly, a client's investments may not be diversified, whether by reference to the amount invested, by asset class, by geography, or otherwise. Unfavorable performance with respect to a small number of a client's investments, a particular asset class, or a particular geographic area in which a client is invested, could substantially affect the client's investment performance, and the client's investments may be subject to more rapid change in value than would be the case if we were required to maintain a wide diversification of investments for our clients.

There can be no assurance that we will be able to identify a sufficient number of investment opportunities for our clients to enable our clients to invest fully the capital that they commit to us in opportunities that satisfy the client's investment objectives and criteria, or that such investment opportunities will lead to successful investments. Moreover, as investments are disposed of, there can be no assurance that we will be able

to identify a sufficient number of reinvestment opportunities, that the proceeds will be reinvested in investments similar to those from which the proceeds were generated, or that such reinvestment opportunities will lead to successful investments. Identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. In addition, there can be no assurance that ValStone Asset Management (or any other service provider) will be successful in providing the services it currently provides to our clients.

Our private investment fund clients have been organized to invest primarily in real estate related debt obligations and other assets, as discussed in this Item 8 of this Brochure. In general, the operating or limited partnership agreements place limited restrictions on our authority with respect to the investments that our private investment fund clients may make. Our non-private investment fund clients will generally also invest in these same types of assets. The level of analytical sophistication, both financial and legal, necessary for successful returns on such investments is unusually high. There can be no assurance that we will correctly evaluate the nature and magnitude of the various factors that could affect the value of a client's investments.

Our clients' real estate investing typically will involve situations where a capital infusion, de-leveraging, more aggressive management, and/or repositioning may offer significant potential for improved performance. However, those strategies may not be successful. Real estate investments are subject to the general risks incident to the ownership and operation of real estate, including, without limitation: (i) changes in supply of, or demand for, competing properties in an area (for instance, as a result of over-building); (ii) economic conditions in the particular geographic area in which a client is invested as well as nationally and the financial condition of tenants, buyers, and sellers of properties, including as a result of rising interest rates; (iii) energy and supply shortages or significant increases in the price thereof, including as a result of the recent outbreak of hostilities between Russia and Ukraine and global reactions thereto, including sanctions imposed on Russia by the United States and other countries; (iv) changes in tax, real estate, environmental, and zoning laws and regulations; (v) various uninsured or uninsurable risks; (vi) the ability to manage the real properties; (vii) natural disasters and other significant and/or severe weather-related events, including those due to climate change; (viii) health emergencies including epidemics, pandemics, or other outbreaks of an illness, disease, or virus, and actions to address and contain them and deal with their effects, including the coronavirus (COVID-19) pandemic; and (ix) climate-change transition risks, including both the physical risk to properties as a result of climate change and financial and reputational risks related to transitioning to a low-carbon economy, which may include policy, legal, regulatory, technology, and market changes to mitigate and adapt to climate change.

In particular, the COVID-19 pandemic and governmental and societal actions to contain it, including social distancing and the closings and/or limits on the operations of both essential and non-essential businesses, resulted in significant business and operational disruptions. Though most such restrictions have generally been lifted, the recovery has been uneven, and the pandemic exposed numerous risks with respect to our investment strategy. Among other risks, the coronavirus has had and it or any future

pandemic may have a negative impact on (i) the ability of tenants and residents in the real estate properties in which our clients invest, or that secure any real-estate related investments in which our clients invest, to pay their rent or monthly fee and/or the ability of such properties to sustain satisfactory occupancy levels and/or rental rates, (ii) the ability of the companies that operate or manage any such properties to continue to do so (including staffing risks, especially as staffing shortages have been particularly severe in the senior housing and healthcare-related properties industries), and (iii) with respect to our clients' senior housing assets, the human cost to residents and staff exposed to the virus and the economic costs due to declining occupancy, and the rising cost of insurance. Also, the changes wrought by the coronavirus pandemic, including the shift of office workers largely working from home and many continuing to work from home on at least a part-time basis, and the accelerated shift to on-line shopping, among other changes resulting from the pandemic, have had, in general, a negative impact on the value of, and revenues generated by, commercial real estate properties. These risks have had and may continue to have a negative impact on the ability of such properties to generate revenue and operating profits, and on the ability to comply with financial covenants in loans and/or make scheduled payments on loans, any or all of which have had and may continue to have a negative impact on the value of such investments.

The ultimate extent of the impact of the coronavirus pandemic and any future epidemic, pandemic or other outbreak, will depend on future developments, including how fast effective (or with respect to COVID-19, additional) vaccines and treatments are developed, the length of time before such vaccines are sufficiently distributed (both in the United States and worldwide), new or continued government actions in response and the extent to which such measures are accepted by the public, including with respect to successive waves or variants of any virus (as well as the extent to which such variants are more contagious and/or lethal), the extent to which then-current vaccines and treatments are less effective against any such variants, and whether delays in such vaccinations allow vaccine-resistant variants to develop and spread, all of which will impact the ultimate duration and severity as well as how fast the economy recovers afterwards. These are all factors that are highly uncertain, out of our control, and that we cannot predict. Further, the long-term social and economic impact of any pandemic, or other outbreak, or acceleration of pre-existing trends as a result thereof, are still uncertain but may have negative impacts on our private investment fund clients' investments.

Inflation in the United States has recently accelerated and may continue to do so in the future. Recent inflationary pressures have increased the costs of labor, energy and raw materials and have adversely affected consumer spending and economic growth. If cost increases due to inflation cannot be passed along to the ultimate consumer (e.g., resident in a senior living facility), the operating results of our clients and/or an investment vehicle through which a client directly or indirectly invests will be adversely affected and may impact their ability to pay interest and principal on loans. The Federal Reserve has raised, and has indicated its intent to continue raising, certain benchmark interest rates in an effort to combat inflation.

As noted above, our private investment fund clients and/or an investment vehicle through which a private investment fund directly or indirectly invests borrow money. Rising interest rates have a negative impact on our clients' investments, and investment and investment monetization opportunities and, accordingly, have a material adverse effect on our client's rate of return on invested capital. In addition, increases in interest rates have increased the interest expenses of variable-rate borrowings, and will increase interest expenses on future fixed-rate borrowings, including when refinancing existing borrowings that come due.

While real estate generally involves hard assets that may be income-producing or disposable, thereby providing some downside protection, the asset manager may not be successful in implementing our strategy for performance enhancement. In such event, we may elect to liquidate such investment on (i) an orderly basis, in which case it may take considerable time to collect the proceeds, or (ii) on a quick sale basis, in which case the proceeds may be considerably lower than those that could be obtained from an orderly sale. Also, our clients may invest in real estate that is highly leveraged or investments that are tied to real estate, such as real estate leases. If the project or tenant cannot generate adequate cash flow to meet debt service or rental payments, a client may suffer a partial or total loss of its invested capital.

We generally maintain insurance coverage against liability to third parties and property damage as is customary for real estate assets (although in some cases self-insure). However, insurance may not be available, may not be available on economic terms, and, if available, may not be sufficient to cover losses and/or may be subject to a high deductible, and if we self-insure the amounts we have allocated for losses may not be sufficient. Also, our clients' assets would be at risk in the event of uninsured liabilities to third parties. Our clients' real estate investing is speculative and involves a high degree of risk.

Our clients invest in, among other investments, performing, sub-performing, and non-performing debt obligations. Such debt obligations may be at the time of acquisition, or may become after acquisition, sub-performing or non-performing for a variety of reasons. With respect to debt obligations that are collateralized, the underlying property may be too leveraged, poorly managed, or substantially in need of rehabilitation. Such sub-performing and non-performing debt obligations may require a substantial amount of workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of principal. Also, the value of this type of investment will be adversely impacted by a decline in the value of the underlying collateral, which is likely to be beyond our control. Moreover, we may find it necessary or desirable to foreclose on the underlying collateral of some if not many of the debt investments that it acquires. This foreclosure process may be lengthy and expensive, and during the foreclosure process, the debtor may declare bankruptcy resulting in further risks, expenses, and delays. Foreclosure also tends to create a negative image of the foreclosed property, which could adversely affect the property's value. Finally, there is unlikely to be a liquid secondary market for these types of investments. Consequently, we

may not be able to dispose of these investments for our clients at prices that reflect their value, or the amount paid by the client.

Our clients may invest in debt obligations secured by commercial real estate. Commercial mortgage loans are generally viewed as entailing a greater risk of loss than residential mortgage loans as they typically involve larger loan balances concentrated with single borrowers or groups of related borrowers. In addition, the ability of a borrower to repay a loan secured by an income-producing property typically depends on the successful operation of the related business and thus may be subject to a greater extent to adverse conditions in the real estate market and in the general economy. In addition, commercial mortgage loans often do not fully amortize, which can necessitate a sale of the property or refinancing of the remaining “balloon” amount at or prior to maturity of the mortgage loan. Accordingly, investors in commercial mortgage loans bear the risk that the borrower will be unable to refinance or otherwise repay the mortgage at maturity, thereby increasing the likelihood of a default on the borrower’s obligation. Also, the changes wrought by the coronavirus pandemic, including as noted above the shift of office workers largely working from home and many continuing to work from home on at least a part-time basis, and the accelerated shift to on-line shopping, among other changes resulting from the pandemic, have had, in general, a negative impact on the value of, and revenues generated by, commercial real estate properties, which could lead to higher rates of default and forbearance on our clients’ debt investments. Rising inflation and rising interest rates (as further discussed above) also adversely affect this type of investment.

Our clients may purchase debt securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although such purchases may result in significant returns, they involve a substantial degree of risk and may not show any return for a considerable period of time, if ever. In any bankruptcy or other reorganization or liquidation proceeding relating to a company in which a client invests, the client may lose its entire investment or may be required to accept cash and securities with a value less than the client’s original investment. Moreover, in a bankruptcy proceeding there are instances where creditors and equity holders lose their ranking and priority as such, whether because they take over management and functional operating control of a debtor or for other reasons. For example, if we, on behalf of a client, are found to exercise “dominion and control” of a debtor, the client could lose its priority if the debtor can demonstrate that its business was adversely impacted, or other creditors and equity holders were harmed by our actions. Also, in a bankruptcy, payments to clients may be reclaimed if a court determines that the payments constituted a fraudulent conveyance or a preference payment.

Our clients’ securities investments will generally be in securities that are unrated or, if rated, will be rated at below investment grade by recognized rating services such as Moody’s and Standard & Poor’s. Unrated securities or securities rated below investment grade generally offer a current yield higher than that available from higher-grade issues, but typically involve greater risk. Unrated securities and securities rated below

investment grade are typically subject to adverse changes in general economic conditions, to changes in the financial condition of their issuers, and to price fluctuations in response to changes in interest rates. During periods of economic downturn or rising interest rates as we are seeing currently, issuers of unrated securities or securities rated below investment grade may experience financial stress that could adversely affect their ability to make payments of principal and interest and increase the possibility of default. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the values and liquidity of unrated securities and securities rated below investment grade, especially in a market characterized by a low volume of trading. In addition, the secondary market for high yield securities, which is concentrated in relatively few market makers, may not be as liquid as the secondary market for rated or more highly rated securities. As a result, we may have difficulty selling these securities or may be able to sell the securities only at prices lower than if such securities were widely traded.

When investing in operating companies, typically our strategy for realizing value for our clients will be to acquire control of or significant influence in the companies. However: we may not be able to identify appropriate operating company investments and may not be able to obtain control of or significant influence in such companies; the operating company may not possess any assets that may be resold; the value of a company or its assets may decline after purchase; and/or the asset manager may not be successful in implementing our strategy for value creation. Moreover, our clients may invest in the equity of operating companies that are highly leveraged. If the operating company cannot generate adequate cash flow to meet debt service, our clients may suffer a partial or total loss of their invested capital. Accordingly, such opportunities are speculative and involve a high degree of risk. Also, liquidating an investment in an operating company or its assets may take place on (i) an orderly basis, in which case it may take considerable time to collect the proceeds, or (ii) on a quick sale basis, in which case the proceeds may be considerably lower than those that could be obtained from an orderly sale. Operating companies also have pandemic-related risks, inflationary risk and risks related to rising interest rates.

Our clients may invest in other assets that present themselves from time to time. These assets are likely to be speculative and will likely involve a high degree of risk. Among other things: we may not be successful in identifying or evaluating such assets; after purchase, the value of the asset may fall below the purchase price; and/or the asset manager may not be successful in implementing our strategy for realizing value with respect to the asset.

Some of the borrowings of our clients and/or their direct indirect investment vehicles bear interest based on the London Interbank Offered Rate (or “LIBOR”), which was commonly used as a reference rate (the “Reference Rate”) for commercial loans. One-week and two-month LIBOR rates ceased being published after December 31, 2021. All other LIBOR rates will cease to be published after June 30, 2023. In anticipation of the end of LIBOR, the United States and other countries have and are continuing to work to replace LIBOR with alternative Reference Rates. With respect to

our private investment fund clients and their investment vehicles' LIBOR-priced loans with maturity dates that extend beyond June 30, 2023, such loans either included curative mechanisms for an alternative Reference Rate or have been amended to include such curative mechanisms. However, the transition to a Reference Rate other than LIBOR may result in higher overall interest rates and/or other uncertainties in the financial markets. Considered in its entirety, the impact of the discontinuation of LIBOR on financial markets generally and on the specific loans to which our private investment fund clients and/or investment vehicles are a party may adversely affect the performance of our private investment fund clients and their investment vehicles.

Recently, due to, among other things, increases in interest rates which have adversely affected banks held to maturity assets, several U.S. banks have failed and have been taken over by the FDIC, and other banks are being closely monitored by the FDIC. The failure of a bank (or banks) with which our clients and/or an investment vehicle through which a client directly or indirectly invests, or their business counterparties, have a commercial or banking relationship, would have an adverse effect on our clients, the investment vehicles and the counterparties, including their ability to access deposits, the possible loss of deposits and/or the ability to borrow and access cash management products. Our clients, the investment vehicle through which a client directly or indirectly invests, and their counterparties' ability to spread banking relationships among multiple institutions may be limited by certain contractual arrangements, including liens placed on their respective assets as a result of a bank agreeing to provide financing. Any bank failures may also increase the possibility of a sustained deterioration of financial market and the economy generally.

Additional risks are or may be described in the investor offering memorandum of our private investment fund clients and/or in the investment advisory agreements with our private and non-private investment fund clients.

Item 9. Disciplinary Information.

None.

Item 10. Other Financial Industry Activities and Affiliations.

General. The ValStone Funds, the investment vehicles through which a ValStone Fund directly or indirectly invests, and the investments themselves, are managed at three levels of services: (1) investment management services, which ValStone Partners performs, as described in Item 4 of this Brochure; (2) Asset Management Services performed by an Asset Manager (as defined below); and (3) Property Level Services performed by a Property Manager (as defined below). Historically, VAM has served as Asset Manager and serves as a Property Manager. Each level of service further described below.

1. Investment Management Services. ValStone directs and manages the investment of the Funds' assets. Investment advice is provided directly to the Funds and not individually to the investors in the Funds. As investment adviser, we (i) provide

investment advice to our private investment funds, including, but not limited to, determining the composition of the portfolio of investments of each of our private investment funds, the nature and timing of the changes therein, and the manner of implementing such changes; (ii) source investments for our private investment funds (which includes, without limitation, interacting with sellers, brokers (when applicable), finders (when applicable), and other intermediaries and travel related thereto); (iii) conduct and oversee investment due diligence (which includes, without limitation, research, financial analysis, and, when we determine to be appropriate, retaining third-party experts and coordinating their activities and evaluating their findings); (iv) establish the terms of the purchase and sale of investments and loan workout resolutions; (v) retain the services of service providers, which includes affiliate(s), and evaluate, manage, and direct the activities and reports provided by such service providers; (vi) monitor and oversee regulatory and tax law compliance for our private investment funds; (vii) monitor and oversee our private investment funds' reporting to investors pursuant to each private investment fund's operating agreement or limited partnership agreement, and to regulators pursuant to applicable law; (viii) prepare for and respond to regulatory inquiries related to our private investment funds; and (ix) monitor and oversee the financial and operational performance of the assets of our private investment funds. These are further described below.

- (i) provide investment advice to our private investment funds, including, but not limited to, determining the composition of the portfolio of investments in each of our private investment funds, the nature and timing of the changes therein and the manner of implementing such changes;

This is what and when to buy, what and when to sell, and how investments are to be bought and sold (e.g., should a broker be engaged, equity purchase vs. asset purchase). Our investment committee must approve all buy or sell decisions. We provide such advice in conformity with the investment objectives, limitations, restrictions and requirements (i) set forth in the operating agreement, limited partnership agreement and/or investor offering memorandum (if any) of each of our private investment funds and/or (ii) pursuant to the terms of an investment advisory agreement between ValStone Partners and a private investment fund (or where applicable a non-ValStone Fund client). In general, the investments that we determine should be bought and sold is limited by the terms of each private investment fund's operating or limited partnership agreement (or where applicable each non-ValStone Fund client's investment advisory agreement). However, in general and to date, the ValStone Funds other than ValStone Healthcare Properties Fund, L.P. have been opportunity funds, which means they reserve the latitude to invest, on an opportunistic basis but subject to any limitations contained in their operating agreement, in such assets as we determine to be appropriate from time to time.

- (ii) source investments for our private investment funds (which includes, without limitation, interacting with sellers, brokers (when applicable), finders (when applicable) and other intermediaries and travel related thereto);

This is an adjunct of (i) above and refers to finding investments that can be acquired, and includes establishing relationships with possible sellers and referral relationships with brokers, finders, and other intermediaries; conducting research into opportunities presented by various asset types (such as industrial, office, hospitality, multifamily and senior housing), across geographic markets, and how trends (such as demographic, social, and technological) might affect such opportunities, which can include using databases and other sources of information; and other seller outreach.

Regarding brokers, investment sales brokers advise us with respect to buying and selling assets, and the prevailing level of market prices. Investment sales brokers can also assist the Asset Manager (which historically has been VAM) in updating fair market values and competitor analyses. Leasing brokers, in contrast, are generally a resource to the Asset Manager or Property Manager in that they advise the Asset Manager or Property Manager with respect to identifying tenants and providing intelligence on market lease rates and terms. Of course, leasing brokers can also help inform us during due diligence in connection with the purchase or sale of an investment (e.g., determining the velocity and lease rate at which a property might lease up). In practice, some brokers are both investment sales brokers and leasing brokers.

- (iii) conduct and oversee investment due diligence (which includes, without limitation, research, financial analysis and, when we determine to be appropriate, retaining third party experts (and coordinating their activities and evaluating their findings));

This is also an adjunct of (i) above, and there are different services for acquisitions and dispositions. At least one of our Principals supervises this work. Any buy or sell decision is made with the approval of our investment committee.

In the case of acquisitions, depending on the type of asset and the nature of the selling process (e.g., private negotiation vs. online bidding portal), we will receive and review offering memorandum prepared by brokers and others (if any), submit requests for supplemental information (when necessary), analyze seller financial information, determine estimated values using cash flow models and by evaluating market factors affecting pricing, conduct on-site property visits, interview current management, conduct competitor analyses, and identify operating partners (if applicable) and set terms of such arrangements. In all cases, any deal terms will be informed by a due diligence report prepared and presented to the investment committee by a Principal and his investment team.

In the case of dispositions, depending on the type of asset and the nature of the selling process, we interview and select a broker (when a broker is engaged), engage in direct selling efforts (when a broker is not engaged), review offers, qualify potential buyers, evaluate factors affecting the potential sales price (typically informed by market intelligence acquired from research, sales data, the most recent third-party appraisal of the asset, and input from market participants including brokers and the Asset Manager), and select the buyer.

- (iv) establish the terms of the purchase and sale of investments and loan workout resolutions;

The transaction terms for all acquisitions and dispositions are set based upon guidance from the investment committee, with at least one Principal being responsible, with the assistance of counsel, and when applicable with guidance from the broker (when a broker is engaged), for negotiating the transaction documents.

- (v) retain the services of service providers to provide Asset Management Services under an Asset Management Agreement and evaluate, manage, and direct the activities and reports provided by such service providers;

We evaluate, manage, and direct the activities and reports provided by the service providers performing Asset Management Services. These duties are supervisory in function and are performed by one or more of our Principals. See also (ix) below.

- (vi) monitor and oversee regulatory and tax law compliance for each ValStone Fund;

See (viii) below.

- (vii) monitor and oversee each private investment fund's reporting to investors and to regulators pursuant to applicable law;

One or more of our Principals specify the content and monitor the preparation and timeliness of these reports and review the reports for quality and precision, suggesting or making changes when appropriate. These reports are routine and/or ad hoc, as we determine to be necessary, and are provided by the Asset Manager unless we obtain the information from a third party.

- (viii) prepare for and respond to regulatory inquiries related to our private investment funds; and

We work with counsel and third-party service providers to promote a robust regulatory compliance structure for our private investment funds and ourselves. This includes: maintaining a state of readiness for regulatory inquiries and responding to regulatory inquiries; staying abreast of changes in the regulatory environment; revising policies and procedures that impact each private investment fund, as appropriate; monitoring and enforcing staff compliance with such policies and procedures; continuous monitoring of the effectiveness of internal controls and, when appropriate, revising the design and implementation of such controls.

- (ix) monitor and oversee the financial and operational performance of the assets of our private investment funds.

This role is supervisory in function and is performed by one or more of our Principals. In this role, the Principals set the strategic direction for how the investments are to be managed, make major decisions regarding investments (such as when to buy and when to sell) and, then, monitor, oversee, and provide coaching with respect to the execution of its mandates to staff providing Asset Management Services and Property Level Services.

Our private investment funds' real estate investments often consist of a real estate component and an operational component. Accordingly, our investments may include both traditional real estate investment criteria (such as leverage on an investment or lease rates for a mixed use or shopping center property) and operational targets (such as occupancy of a senior living facility). At the investment vehicle level, as a Property Level Service, the Property Manager will seek to cause the asset to be managed in a manner, both financially and operationally, that is consistent with our investment plan (or servicing strategy) regarding the investment. At the private investment fund level, as an Asset Management Service, the Asset Manager will review and summarize the work of the Property Managers, and will direct a Property Manager to take appropriate measures if it determines that the investment is not performing to its financial and/or operational potential, or if a Property Manager or other service provider is not performing. These roles are separate from our investment management services and our private investment funds and/or investment vehicles pay separate fees for these services. See Item 10 of this Brochure for further discussion.

Our Principals also regularly assist with and perform Asset Management Services and Property Management Services. As noted in Item 5 herein, the Principals do not bill their time for these services and, accordingly, such services provided by the Principals are not billed to the Funds or other parties.

2. Asset Management Services. We refer to the provider of Asset Management Services as the "Asset Manager" and the agreement under which such services are provided as an "Asset Management Agreement." While the Asset Manager can be a third party, ValStone Partners will use an affiliate to provide Asset Management Services rather than a third-party if it determines that such affiliate has the requisite expertise to provide such services and that the use of the affiliate rather than a third-party is beneficial to the applicable ValStone Fund. Historically, VAM serves as the Asset Manager for our private investment funds. "Asset Management Services" is comprised of the following services to our private investment funds: (i) attending to the details associated with acquiring and disposing of investments; (ii) causing the private investment fund's investment vehicles to retain Property Managers responsible for providing Property Level Services pursuant to Property Management Agreements (each as further defined below), and collecting, monitoring, compiling and evaluating reports, including financial reports, from such Property Managers and evaluating their activities; (iii) responding to inquiries that we make and that are made by investors that cannot be addressed by a Property Manager; and (iv) executing our directives in respect of

investments. These are further described below. For the avoidance of doubt, Asset Management Services do not include any investment management services.

- (i) attending to the details associated with acquiring and disposing of investments;

The Asset Manager is responsible for the administrative aspects of the buy or sell transaction, which include the following in more detail below.

For acquisitions, reviewing the due diligence report to become familiar with the investment, confirming that closing conditions are met, reviewing closing statements, onboarding investments to our systems and platforms, interviewing and hiring Property Managers (other than VAM), monitoring escrow accounts through breaking of escrow, assisting/confirming with Property Managers (other than VAM) that property and other required insurance is secured, and/or assisting/confirming with Property Managers (other than VAM) that banking and other relationships with service providers are established.

For dispositions, preparing and/or providing reports that a broker may request in order to draft an offering memorandum; setting up and populating the data room; responding to inquiries and information requests from us, the broker, prospective buyers, and attorneys; escorting potential purchasers on property tours; confirming closing conditions are met; reviewing closing statements; discharging Property Managers (other than VAM) and other service providers; and/or monitoring escrow accounts through breaking of escrow.

Regarding brokers, investment sales brokers advise us with respect to buying and selling assets, and the prevailing level of market prices. Investment sales brokers can also assist the Asset Manager in updating fair market values and competitor analyses. Leasing brokers, in contrast, are generally a resource to the Asset Manager or Property Manager in that they advise the Asset Manager or Property Manager with respect to identifying tenants and providing intelligence on market lease rates and terms. Of course, leasing brokers can also help inform us during due diligence in connection with the purchase or sale of an investment (e.g., determining the velocity and lease rate at which a property might lease up). In practice, some brokers are both investment sales brokers and leasing brokers.

- (ii) causing the private investment fund's investment vehicles to retain Property Managers responsible for providing Property Level Services pursuant to Property Management Agreements, and collecting, monitoring, compiling and evaluating reports, including financial reports, from such Property Managers and evaluating their activities;

These Asset Management Services are the logical continuation of duties described in (i) above. The Asset Manager may also provide coaching to Property Managers. Evaluation is with respect to both the operational and financial performance of the investment vehicles and their investments, and the Asset Manager directs Property Managers to take appropriate measures if the Asset Manager determines that the

investment is not performing to its financial and/or operational potential, or if a Property Manager or other service provider is not performing.

- (iii) responding to inquiries by ValStone Partners and that are made by investors that cannot be addressed by a Property Manager, and

The Asset Manager is expected to be a definitive source of information regarding an investment and its performance and should be able to respond to all related inquiries. This includes staying current with business, economic, regulatory and other factors affecting the investments held by the investment vehicles and possible investments within the private investment funds investment mandate.

- (iv) executing our directives in respect of investments.

ValStone Partners is responsible for establishing the strategic direction of each investment, including making all major decisions regarding the investments, such as when to buy and when to sell. The Asset Manager is responsible for implementing these directives at the investment level and ensuring that they are effectively executed on a day-to-day basis in accordance with the strategic plan set by ValStone Partners.

Our private investment funds' real estate investments often consist of a real estate component and an operational component. Accordingly, our investments may include both traditional real estate investment criteria (such as leverage on an investment or lease rates for a mixed use or shopping center property) and operational targets (such as occupancy of a senior living facility). At the investment vehicle level, as a Property Level Service, the Property Manager will seek to cause the asset to be managed in a manner, both financially and operationally, that is consistent with our strategic plan (or servicing strategy) regarding the investment. At the private investment fund level, as an Asset Management Service, the Asset Manager will review and summarize the work of the Property Managers, and will direct a Property Manager to take appropriate measures if it determines that the investment is not performing to its financial and/or operational potential, or if a Property Manager or other service provider is not performing.

Generally, as between VAM's provision of Asset Management Services and Property Level Services, to the extent the work can be attributed to an investment vehicle or an investment, the work will constitute a Property Level Service. As discussed in Item 5, where there is a co-investor, the co-investor generally pays its pro-rata share of Property Level Services.

3. Property Level Services.

We refer to the service provider of Property Level Services as the "Property Manager" and the agreement under which such services are provided as a "Property Management Agreement."

While VAM performs some Property Level Services directly, it also acts in a supervisory role to others that may provide Property Level Services. In such role, VAM

is responsible for causing the investment vehicles to retain other service providers to perform Property Level Services, whereby VAM collects, monitors, compiles and evaluates reports, including financial reports, from such service providers and evaluates their activities. “Property Level Services” are services to the investment vehicles of the private investment fund, and/or services for or related to the investments directly or indirectly acquired by such investment vehicles. These services include, without limitation, accounting, financial reporting, audits, tax return preparation, appraisals, budgeting, collateral administration, financing, cash management, leasing, marketing, maintenance, property management, operations, insurance management, inspections, tenant improvements, design, construction, repairs, renovations, repositioning, permitting, entitling, zoning, tax appeals, engaging with other service providers, litigation support, arbitration support, negotiating with counterparties (other than negotiating the purchase and sale of investments), and other services provided directly to such investment vehicles and their investments.

VAM, together with third-party Property Managers (including Operating Partners) provides comprehensive Property Level Services to the assets of the Fund, including VAM’s direct oversight of such Property Managers. In this capacity, VAM is expected to discharge and perform its obligations pursuant to the terms and conditions of the Property Management Agreement. For the avoidance of doubt, VAM, as a Property Level Service is responsible for providing the following either directly or overseeing the following activities with respect to an investment property:

- Develop a plan for implementing ValStone Partners’ strategic direction for the investment which shall take into account, among other things, the following considerations: (i) factors specific to property type (e.g. senior housing vs. office); (ii) factors specific to property geography (rural vs. urban, political climate, local infrastructure, weather); (iii) macroeconomic factors (interest rates, business cycle, public policy); (iv) trends in submarket affecting performance (demographics, supply/demand imbalances including consideration of future demand generators and latent supply, other relevant trends); and (v) competitor analysis;
- Establish and generate detailed reports regarding the investment, including, without limitation and as applicable: (i) review current financial statements and operating performance; (ii) review historical financial and operating performance; (iii) critique business plans, operating budget and forecasts for the investment; (iv) evaluate opportunities for revenue enhancement, expense reduction and enhanced asset profitability; and (v) develop and update five-year cashflow projections;
- Manage accounts payable, accounts receivable and cash/treasury-related functions;

- Confirm the engagement of the appropriate Property Managers as is necessary to service the investment, and communicate with Property Managers to ensure proper oversight of their responsibilities;
- Make periodic physical inspection of investments and review property condition, preventive maintenance programs, repairs and capital expenditures (including managing capital expenditures);
- Ensure that leveraged investments are able to make their debt service and are in compliance with debt covenants, coverage ratios, and loan default provisions and, if not, make non-material modifications to loan documents and/or alert and consult with ValStone Partners if material modifications are required;
- Ensure that property taxes are being paid and make tax appeals, when appropriate;
- Ensure that appropriate insurance is being maintained and assist with any property claims or claims against Property Managers related to the investment;
- Confirm that the investment and investment vehicle are complying with relevant licensing and regulatory matters (e.g., zoning);
- Provide reports and updates to ValStone Partners in a format prescribed by ValStone Partners updating and interpreting current asset performance, operating trends, comparable market data and pressing organizational and property-related issues;
- Work with ValStone Partners to assist it in preparing for and structuring periodic investor meetings, enhancing the effectiveness of those sessions;
- Assist ValStone Partners in presentations before all public agencies at both public and private meetings which relate to or affect the investment, and all other parties directly or indirectly involved with the investment or with an interest which may affect the success of the investment;
- Respond timely to and manage any legal, regulatory, accounting and/or tax matters affecting the investment vehicle or investment;
- Respond timely to inquiries by ValStone Partners and by investors, their representatives and other interested parties regarding investments as directed by ValStone Partners;
- Prepare books and records for the investment vehicles and other general accounting services;

- Perform any other reasonable service needs identified in relation to the management of an investment as may be reasonably requested and/or agreed upon with ValStone; and
- Prepare reports requested by ValStone Partners.

Conflicts Resulting from Relationship with ValStone Asset Management.

Because we control VAM, various conflicts of interest exist with respect to the Asset Management Services and Property Level Services provided by VAM. Notwithstanding these conflicts, we believe that our private investment funds benefit from having services provided by ValStone Asset Management due to, among other things, fluid ongoing communications between ValStone Partners and VAM, accumulated knowledge regarding the specific investments owned by the Funds, quicker response times, and shared priorities and goals. These conflicts include:

- Risk of Misallocation of Time.

As noted in Item 5 of this Brochure regarding fees paid to VAM, if time for investment management services is advertently or inadvertently billed to Asset Management Services or Property Level Services, this could result in a private investment fund paying for services that would have otherwise been covered by the Investment Advisory Fee.

In order to mitigate this risk, we have implemented time tracking procedures designed to ensure that services provided by our staff (not including the Principals whose services are not chargeable to VAM) are properly recorded, categorized and allocated to the appropriate entity for payment. Our time billing roadmap provides robust guidelines for our staff to establish a clear distinction between services that constitute investment management versus Asset Management Services and Property Level Services, and are reinforced through mandatory periodic training. Additionally, the Chief Compliance Officer is responsible for periodically (at least quarterly, intend on completing monthly) reviewing time entry by our staff to ensure accuracy, consistency and appropriateness in accordance with our time billing procedures. With respect to any time billed by the CCO, such review will be performed by a Principal (typically Mr. Timmis) on a periodic basis although intend on conducting at least quarterly. At such times, a Principal will also review the Chief Compliance Officer's monthly reviews. Lastly, as noted above, ValStone Asset Management is not charged for any Asset Management Services or Property Level Services performed by our Principals.

- Risk of Misallocation of Fees and Overhead.

VAM may perform the same Asset Management Services for multiple private investment funds at the same time and VAM's fees for these services are allocated amongst the private investment funds. Also, VAM may provide Property Level Services to multiple investment vehicles at the same time and VAM's fees for these services are allocated amongst the investment vehicles. Also, VAM's overhead is allocated amongst the entities to which VAM provides services. If our allocations are incorrect, it could

cause a private investment fund to pay (directly or through an investment vehicle) more in fees to VAM than would otherwise be the case.

Where VAM provides services to a single private investment fund, investment vehicle or investment, VAM's costs (and thereby its fees) are borne by that private investment fund, investment vehicle or investment. VAM's general overhead expenses (which become part of VAM's costs (and thereby its fees)) are allocated according to our time billing system (such that those costs are allocated in proportion to the work performed by VAM). Where VAM performs work or incurs non-general overhead for more than one single private investment fund, investment vehicle or investment, we allocate VAM's costs in good faith in accordance with policies we have developed regarding the nature of the costs or where not addressed by the policy as we determine in good faith, with reference to whether such costs are distributed equally or disproportionately, based upon NAV, outstanding debt where multiple properties are within the same loan pool, in equal shares or another more appropriate metric as reasonably determined by us in good faith. The allocation of VAM's costs is also subject to the discussion above regarding the sharing of employees and overhead between us and VAM.

- Risk of Non-Arm's Length Agreement.

VAM's agreements with the Funds and their investment vehicles are not established on the basis of an arm's-length negotiation, and the determination as to whether VAM is adequately performing its Asset Management Services or Property Level Services will not be determined on an arm's length basis.

The fees paid to VAM for its services are based upon VAM's costs and are intended to be fair to our investors such that our investors do not pay more than what would be charged by third parties. To confirm the Asset Management Services and Property Management Services provided by VAM are charged at a fair, reasonable and competitive cost, ValStone will conduct a documented market rate analysis at least annually.

To confirm that VAM is adequately performing its services, the Principals have a weekly all-hands call with VAM staff to discuss and review the financial and operating performance of each investment, as well as any prospective capital needs for such investments and the options for addressing such needs. When warranted, a Principal will follow up individually with a member of VAM's staff. VAM's staff is also formally evaluated annually.

We obtain an annual audit for VAM, and we will provide a copy upon request to any investor in our private investment funds.

Time Devoted by our Supervised Persons. Our Supervised Persons (as defined below in Item 11(A)) devote such amount of their time in connection with providing investment advice to our clients, and such amount of their time on other activities, such as activities on behalf of ValStone Asset Management, as is necessary to provide such

investment advice and perform such activities. During any particular period of time, our Supervised Persons may devote substantially all of their time to providing investment advice, and during another particular period of time they may devote only a minimal amount of their time to providing investment advice, with the remainder of our time being spent on other activities.

Other Affiliations. As discussed above in Items 4-8 of this Brochure and as discussed below in Item 11 of this Brochure, we or an affiliate will generally serve as the manager or general partner of our private investment fund clients. Also, either directly or through affiliates, we will generally serve in a management capacity in entities we organize to facilitate our private investment fund clients' investments. Also (i) family members of Messrs. Timmis and Abel are attorneys and they and/or the law firms where they are employed provide legal services to us and our affiliates at not greater than market rates (determined based on their representations to us); (ii) a family member of Mr. Timmis has provided brokerage services to our investments at market rates (based on our knowledge of the market); and (iii) during the COVID-19 pandemic, a family member of Mr. Timmis provided personal protective equipment to some of our senior living facilities at prices negotiated by the manager of the senior living facilities.

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

A. Code of Ethics: We have adopted a Code of Ethics that describes the ethical standards and standards of business conduct that apply to our "Supervised Persons." The Code of Ethics defines "Supervised Persons" as any manager or officer (or other person occupying a similar status or performing similar functions) or employee of ValStone Partners or employee of any subsidiary of ValStone Partners, or other person who provides investment advice on behalf of ValStone Partners and is subject to ValStone Partners' supervision and control.

Our chief compliance officer is responsible for enforcing the Code of Ethics. As such, the chief compliance officer is required, among other things, to keep various records relating to the Code of Ethics.

The Code of Ethics includes, among other things, provisions: (i) addressing conflicts of interest between Supervised Persons and ValStone Partners and/or our clients; (ii) prohibiting Supervised Persons from engaging in unfair competition; (iii) protecting material nonpublic information; (iv) governing the use of ValStone Partners' equipment; and (v) prohibiting sexual or other forms of harassment. The Code of Ethics also includes a supplement regarding our policy regarding political contributions (the "Political Contributions Supplement"). The Code of Ethics also includes provisions requiring our Supervised Persons to report to us their personal securities transactions.

The Code of Ethics requires Supervised Persons to report violations of the code to the compliance officer. The Code of Ethics also requires that all Supervised Persons receive a copy of the code and acknowledge such receipt in writing.

Upon request, we will provide a copy of our Code of Ethics and/or the Political Contributions Supplement to any client or prospective client or any member or limited partner or prospective member or limited partner of a private investment fund client.

B. Discussion of Our Practice, the Conflicts of Interest that it Presents and How We Address those Conflicts with Respect to Securities that We or a Person Related to Us Recommends to Clients or that We or a Person Related to Us Buys or Sells for Client Accounts in which We or a Person Related to Us has a Material Financial Interest:

General. We currently manage multiple private investment funds and may in the future organize and manage other private investment funds, including funds with investment objectives similar to the investment objectives of the other funds. We have or one of our affiliates has a financial interest in our private investment fund clients (which may be different for each private investment fund client). This situation presents the potential for conflicts of interest. While we and our affiliates seek to manage such potential conflicts of interest in good faith, there may be situations in which the interests of a private investment fund client with respect to a particular investment or other matter conflict with our interests, the interests of one or more other private investment fund clients, and/or one or more of our non-private investment fund clients.

For example, we may recommend to a client (which may include private investment fund clients) that the client buy or sell securities or investment products in which another client (which may include a private investment fund client) has some financial interest. This may include a recommendation that one private investment fund client, or an investment vehicle through which the private investment fund client directly or indirectly invests, buy from, or sell securities or investment products to another private investment fund client or investment vehicle in which such other private investment fund client directly or indirectly invests. We may also recommend that two or more clients (including private investment fund clients) buy or sell the same securities or investment products. Also, in certain circumstances that we consider appropriate (for example and without limitation, in order to reduce organizational complexity and/or administrative expenses), we may cause one or more investment vehicles of our private investment fund clients to merge or combine with one another. Also, on some occasions, we (or a person related to us) may buy or sell securities or investment products for ourselves (or for our related persons) that we or a related person also recommend to clients and we may make such recommendations at or about the same time that we (or our related persons) buy or sell such securities or investment products for ourselves (or for our related persons). All of these actions are subject to any limitations in a private investment fund's operating or limited partnership agreement and/or investor offering memorandum (if any).

These types of transactions create the potential for conflicts of interest. Among other things, the terms of these transactions will often not be established on the basis of an arm's-length negotiation. Similarly, the fact that we or an affiliate receives a performance fee based on the profits of each private investment fund client creates a potential for conflicts of interest as this structure may create an incentive for us to cause our private investment fund clients to make riskier or more speculative investments than would be the case in the absence of the performance fee. In general, our actions will be

limited by the terms of our advisory agreements with our clients and/or our private investment fund clients' operating or limited partnership agreements, including, without limitation, the investment allocation provisions of such agreements. Where not so limited, we will be subject to our general fiduciary duty to our clients.

Conflicts with Respect to Allocation of Investment Opportunities Among Clients.

As a general matter, but subject to the terms of the operating or limited partnership agreements of our private investment fund clients or other agreements with our clients, if two or more of our clients are still in their respective commitment periods, we will allocate investment opportunities between or among these clients in our reasonable judgment utilizing factors that we consider relevant in the circumstances, including, without limitation: (i) the provisions of the clients' governing documents; (ii) the size, nature, and type of opportunity; (iii) principles of diversification of assets; (iv) cash availability; (v) the magnitude of the investment; (vi) a determination that the opportunity is appropriate or inappropriate, in whole or in part, for one or more clients; (vii) whether the opportunity is related to a prior investment or is a new investment; and (viii) such other factors as we may reasonably deem relevant, which may include, without limitation, the expected life of the investment relative to the remaining investment life of the client. When the same investment opportunity is allocated to more than one client, we may form an investment vehicle directly or indirectly owned by such clients to make or hold the investment.

Our allocation determinations frequently will be subjective in nature. Consequently, an investment that we determine to be appropriate may ultimately prove to not be appropriate. Furthermore, the decision as to whether a client should make a particular follow-on investment in a shared investment, or whether the follow-on investment will be shared in the same proportion as the original investment, may differ from the decision regarding the initial investment due to our changed determination on this issue.

Conflicts Associated with Our Investing Activities. We and our affiliates may undertake our and their own investment and other activities, and our clients including our private investment fund clients do not have any right to participate in any such investments or activities. However, we and our managers and members will not invest for our or their own account in any securities or other assets in which any private investment fund client or non-private investment fund client has invested or will invest (and for which we provided investment advice) unless such investment is first approved (i) with respect to a non-private investment fund client, by the client or (ii) with respect to a private investment fund client, in the manner required by the private investment fund's operating or limited partnership agreement (generally, by the advisory board of the private investment fund client or a vote of the investors in the private investment fund client) (provided, however, that serving as the manager or in a similar capacity of an investment entity (including an investment entity that invests in securities or other assets in which a private investment fund client has invested or will invest) and/or owning an interest in such entity does not require any such approval). Our affiliates other than our managers and members may (but have no obligation to) co-invest with our private investment fund clients.

We also may buy the limited liability company or limited partnership interests of the members or limited partners of our private investment fund clients or may cause our private investment fund clients to redeem such interests. Any such purchase will be pursuant to the terms of the private investment fund's operating or limited partnership agreement or in a negotiated transaction. In such transactions, we (i) do not act as investment advisor to the selling members or limited partners, (ii) disclose to the selling members or limited partners the capacity in which we are acting, and (iii) obtain the consent of the selling members or limited partners (which consent may be evidenced by the members or limited partners' agreement to the terms of the private investment fund's operating or limited partnership agreement).

We have adopted an insider trading policy and a policy regarding disclosure of personal securities transactions to control conflict of interest issues with respect to the investment activities of our managers, officers, and employees.

C. Discussion of Our Practice, the Conflicts of Interest that it Presents and How We Address those Conflicts with Respect to Securities that We or a Person Related to Us Recommends to Clients in which We or a Person Related to Us Invests.

See discussion above in paragraph B of this Item 11.

D. Discussion of Our Practice, the Conflicts of Interest that it Presents and How We Address those Conflicts with Respect to Securities that We or a Person Related to Us Recommends to Clients or that We or a Person Related to Us Buys or Sells for Client Accounts at about the Same Time in which We or a Person Related to Us Buys or Sells the Same Securities for our or our Related Person's Own Account.

See discussion above in paragraph B of this Item 11.

E. Other.

We may solicit current (if any) and former non-private investment fund clients to invest in our private investment fund clients. In any such case, we will not provide any current or former non-private investment fund client with investment advice regarding whether such client should invest in a private investment fund client. We or our affiliates also may invest on our or their own behalf in a private investment fund established by our non-private investment fund clients.

Item 12. Brokerage Practices.

Factors Considered in Selecting Brokers and Determining the Reasonableness of Commissions: We have an obligation to select brokers (which for purposes described herein includes dealers trading for their own account, whether from their inventory or on a "riskless principal" basis) who effect trades on behalf of or with our clients under the standard of "best execution." "Best execution" generally means a duty to execute

securities transactions so that a client's total cost or proceeds in each transaction are the most favorable under the circumstances.

We will select brokers for our clients based on our evaluation of the broker's ability to provide the client the best value for the best cost. We will determine the reasonableness of brokers' commissions or mark ups or mark downs based on, among other things and to the extent relevant in a particular transaction: a comparison of other similarly-situated brokers; the size and complexity of the transaction; the reputation and integrity of the broker; and/or our evaluation of the broker's ability to effect transactions on behalf of or with our clients. Our evaluation of the broker may take into account any one or more of the following factors, among others:

- Can the broker search for and obtain the securities that we want to purchase and/or sell;
- Can the broker complete trades;
- Can the broker execute unique trading strategies;
- Does the broker maximize the opportunity for price improvement;
- Does the broker execute trades quickly;
- Does the broker maintain our and our clients' anonymity;
- Will the broker exert the necessary effort to satisfy trading needs in a diligent and consistent manner;
- Will the broker account for its trade errors and correct them in a satisfactory manner; and
- Does the broker's commitment to technology satisfy our regulatory and client reporting requirements?

Our private investment fund clients' investment programs, where, in general, the purchase of debt securities is more likely than the purchase of equity securities, makes our ongoing selection of brokers more difficult to evaluate than an investment program focused on equity securities of publicly held companies. This is because the securities in which our clients trade generally have low trading volumes and a limited number of brokers knowledgeable and/or able to effect transactions. Also, debt securities typically are traded in riskless principal transactions, and we do not always have access to pricing information on the other side of the transaction.

Accordingly, in general, we will evaluate pricing on an "all-in" basis. That is, we will consider the price we pay or receive for a security as consisting of (i) the aggregate price paid to, or received from, the broker, including any mark-up or mark-down and (ii) any other transaction costs that may be incurred. For no transaction will we pay an "all-

in” price that results in an expected return that we do not believe is commensurate with the perceived risk of the transaction. In addition, for any transaction and to the extent possible, we will endeavor to pay the lowest possible “all-in” price by (i) negotiating with the seller, (ii) negotiating with the broker, and (iii) incurring costs on a prudent basis.

We do not: (i) engage in any client commission (“soft dollar”) arrangements with the brokers we select; (ii) consider, in selecting broker-dealers, whether we or a person related to us will receive client or investor referrals from the broker-dealer or any other person; (iii) routinely recommend, request, or require that a client direct us to execute transactions through a specified broker-dealer; or (iv) permit clients to direct us to execute transactions through a specified broker-dealer.

Conditions Under Which We Aggregate the Purchase or Sale of Securities for Client Accounts: In circumstances where we cause our clients to buy or sell the same securities or investment products and an investment vehicle is not formed or has not been formed to purchase or sell such securities or investment products owned or to be owned by such clients, we will aggregate orders among such clients as follows:

- Prior to any purchase or sale, we will make a written allocation among our clients, based on the applicable investment allocation provisions, as to the amount of securities or investment products to be purchased or sold by each client. If the order is not filled in its entirety (which is generally rare in light of the nature of our clients’ investment programs), the order will be allocated pro-rata based on the written allocation.
- Any aggregation will be consistent with our duty to seek best execution (as further described above) and the terms of our clients’ operating or limited partnership agreements and/or investment advisory agreements.
- No client is favored over any other client (subject to any applicable investment allocation provisions) - each client that participates in an aggregated order will participate at the same price or the average price for all of our transactions in that security on a given business day, and all transaction costs will be shared pro-rata based on each client’s participation in the transaction.

Item 13. Review of Accounts.

We review the investments held by our clients on an ongoing basis. In general, within a client’s account, the investments with larger values or those subject to greater changes in value receive a greater degree of review than the investments with lower or more stable values. Unless adverse information regarding a particular investment has come to our attention, or unless we have determined that it is in our client’s best interests to seek to sell, foreclose upon, or otherwise dispose of one of the client’s investments, in which case we seek to obtain additional information, investments within a client’s account with the same relative value or stability receive approximately the same level of review. In general, these reviews consist of a review of reports we obtain on behalf of our clients from our affiliate asset manager, ValStone Asset Management.

The primary reviewers of the investments, both prospective and existing, are the managers of ValStone Partners, Gerald C. Timmis III and Larry E. Jennings, Jr., and Eric R. Abel, an executive officer of ValStone Partners. The reviewers review all of the investments held by our clients and make any decisions affecting any investments by consensus. The reviewers, as the managers (and in the case of Eric R. Abel, an executive officer) of ValStone Partners, are required to conduct their reviews in a manner consistent with the investment objectives set forth in the operating or limited partnership agreements of our private investment fund clients and our investment advisory agreements with our private and non-private investment fund clients.

We seek to furnish or to cause to be furnished to the equity owners of our private investment fund clients (subject to the terms of the private investment fund's operating or limited partnership agreement):

(i) within 120 days after the close of each fiscal year, the private investment fund's audited financial statements for such fiscal year. Such financial statements include the private investment fund's balance sheets as of the end of such fiscal year and statements of income and loss and cash flows for such fiscal year.

(ii) within 45 days of the end of each fiscal quarter, information regarding the private investment fund's performance, based upon a fair market valuation as determined in accordance with the terms of the private investment fund's operating or limited partnership agreement.

We will furnish our non-private investment fund clients with such reports as are required by our investment advisory agreements with such clients and as required by the Advisers Act.

Additional reports may be provided when appropriate. Reports are provided in electronic form.

Item 14. Client Referrals and Other Compensation.

We do not receive any economic benefit from someone who is not a client for our providing investment advice or other advisory services to our clients. We and our related persons do not directly or indirectly compensate any person who is not our Supervised Person for client referrals.

Item 15. Custody.

We are deemed to have "custody" of our private investment fund clients' funds and securities because we or our affiliates serve as the manager or general partner of such clients. Accordingly, we comply with Rule 206(4)-2 (the "Custody Rule") promulgated under the Advisers Act in connection with our custody of our private investment fund clients' funds and securities.

In accordance with the Custody Rule, ValStone Partners will ensure the private investment fund clients receive an annual audit by an independent public accountant

registered with the Public Company Accounting Oversight Board (currently Plante & Moran, PLLC). The audited financial statements of ValStone Partners' private investment fund clients are prepared in accordance with U.S. Generally Accepted Accounting Principles and we are required to distribute the audited financial statements to the private investment funds' equity owners within 120 days of the end of each such fund's fiscal year. To the extent we hold any publicly traded securities, or funds or securities which are otherwise ineligible for an exemption from the qualified custodian requirement of the Custody Rule, we will maintain such funds and securities with a qualified custodian as defined under the Custody Rule.

Item 16. Investment Discretion.

We have discretionary authority to manage the accounts of our private investment fund clients and the investment vehicles of these clients. In other words, we have the authority to decide which securities and other assets to purchase and sell for these clients. Depending on the terms of the investment advisory agreements with our clients that are not private investment funds or investment vehicles of private investment funds, we may have discretionary authority to manage their accounts. When we have discretionary authority, our discretion is or would be limited by: (i) the terms of each private investment fund client's operating or limited partnership agreement; (ii) the terms of each investment vehicle's governing documents or investment advisory agreement; and/or (iii) each non-private investment fund client's investment advisory agreement. Generally, however, the private investment fund's operating or limited partnership agreements and the investment vehicle's governing documents or investment advisory agreements place limited restrictions on our discretionary authority. We exercise this authority by serving directly or through an affiliate as the manager or general partner or in a similar capacity for our private investment fund and investment vehicle clients.

Item 17. Voting Client Securities.

We have the authority to vote securities held by clients. We have adopted policies and procedures ("Proxy Voting Policies and Procedures") that are used to vote proxies relating to client securities. The Proxy Voting Policies and Procedures are designed to ensure that client securities are voted in an appropriate manner and serve to complement our investment policies and procedures. The members of our investment committee are responsible for ensuring that each proxy is voted in the best economic interests of our clients ("Responsible Person(s)"). Clients may not direct our vote.

Proxy Voting Policies. We will vote proxies related to securities held by a client in a manner that is in the client's best interest.

In general, we do not exercise voting authority with respect to equity securities. In cases where we do exercise such authority, we will generally cast proxy votes in favor of proposals that: (i) maintain or strengthen the shared interests of shareholders and management; (ii) increase shareholder value; (iii) maintain or increase shareholder influence over the issuer's board of directors and management; and (iv) maintain or

increase the rights of shareholders. We generally will cast proxy votes against proposals having the opposite effect.

With respect to exercising voting authority over debt securities, we will vote such securities in a manner that we believe is our clients' long-term best interests. In certain circumstances, this may mean that we will vote against a matter that would/might result in a short-term benefit to a client if we believe that such a vote would not be in the client's economic interests over the long term.

Except where the manner in which a conflict is to be resolved/handled is described in the governing or offering documents of our private investment fund clients (in which case such documents shall control), in exercising voting discretion, we will seek to avoid any direct or indirect conflict of interest raised by such voting decision.

Proxy Voting Procedures.

The Proxy Voting Policies and Procedures set forth procedures with respect to how the Responsible Person(s) will vote client securities.

Except as described above with respect to private investment fund clients, a Responsible Person(s) will make a determination if any substantive aspect or foreseeable result of the subject matter to be voted upon raises an actual or potential conflict of interest. At least two Responsible Persons will document, review, and sign off on the determination regarding the presence of any actual or potential conflict of interests.

Except as described above with respect to private investment fund clients, if the Responsible Persons determine that an actual or potential conflict of interest exists, we will: (i) vote based on predetermined guidelines; (ii) notify the client in sufficient detail and with sufficient time to reasonably inform the client of the actual or potential conflict involved and will request the client's consent to our vote recommendation; or (iii) vote based on the recommendations of an independent third party we engage. The Proxy Voting Policies and Procedures describe what we will do if a client is not reachable or does not respond to us.

Information Regarding Proxy Voting Policies and Procedures and Voting. At any time, a client or any member or limited partner of a client may obtain a complete copy of the Proxy Voting Policies and Procedures, as well as information regarding how we voted securities held by the client or held by the private investment fund of which the requesting person is an investor by sending a written request to us at investors@valstonepartners.com.

Item 18. Financial Information.

A. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. If we did, we would be required to provide you with an audited balance sheet.

B. We do not have any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to clients.

C. We have not been the subject of a bankruptcy petition at any time during the past ten years.

**Brochure Supplement
For
Gerald C. Timmis III**

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Fax: 248-646-3322

VALSTONE PARTNERS VI, LLC
(including ValStone Partners V, LLC and ValStone Healthcare Properties Fund Manager,
LLC)

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This Brochure Supplement provides information about Gerald C. Timmis III that supplements the ValStone Partners Brochure. You should have received a copy of that Brochure. Please contact Geoffrey Murray of ValStone Partners at 248-646-9200 Ext. 126 if you did not receive the ValStone Partners Brochure or if you have any questions about the contents of this Brochure Supplement.

The Date of this Brochure Supplement is March 29, 2024

Item 2 Educational Background and Business Experience

Gerald C. Timmis III, born August 26, 1956, attended the University of Michigan from 1974 to 1978, graduating with an A.B. degree in economics in 1979. Mr. Timmis attended Georgetown University from 1978 to 1980. Mr. Timmis attended Carnegie-Mellon University from 1980 to 1985, receiving an MS in industrial administration. Mr. Timmis has served as a manager of ValStone Partners, LLC, an affiliate of ValStone Partners VI, LLC, ValStone Partners V, LLC, and ValStone Healthcare Properties Fund Manager, LLC, since its inception in 1999, and as a co-president of ValStone Asset Management, LLC since its inception in 1999. He has served as a manager of ValStone Partners V, LLC since its inception in 2011, as a manager of ValStone Partners VI, LLC since its inception in 2016, and as a manager of ValStone Healthcare Properties Fund Manager, LLC since its inception in 2018. In addition to his services to ValStone Partners, Mr. Timmis is the principal of G.C. Timmis & Company, which operated as a broker-dealer member of the NASD (now FINRA) from 1993 to 2005.

Item 3 Disciplinary Information

None.

Item 4 Other Business Activities

Mr. Timmis provides services to ValStone Partners' affiliate, ValStone Asset Management, LLC, in connection with the services ValStone Asset Management, LLC renders for the investments owned by ValStone Partners' private and non-private investment fund clients, in addition to the services he provides to ValStone Partners. Please see Item 10 of the ValStone Partners Brochure for a discussion of the services provided by ValStone Asset Management, LLC.

Item 5 Additional Compensation

Not applicable.

Item 6 Supervision

Mr. Timmis serves as co-manager of ValStone Partners along with Larry E. Jennings Jr. Given the structure of the firm – that there are a limited number of employees and no employee senior to Mr. Timmis – Mr. Timmis does not have a traditional “supervisor.” However, all non-ministerial investment decisions that ValStone Partners makes for its clients require the approval of Mr. Timmis and Mr. Jennings. Also, Mr. Timmis is required to comply with ValStone Partners' compliance manual, and ValStone Partners' chief compliance officer is responsible for administering the policies and procedures set forth in the manual. Pursuant to ValStone Partners' Code of Ethics, any exceptions made and any remedial action to be taken under the Code of Ethics by ValStone Partners' chief compliance officer with respect to Mr. Timmis would require the approval of Mr. Jennings. Mr. Jennings may be reached at 410-244-0000, ext. 110.

Item 7 Requirements for State-Registered Advisers

Not applicable.

**Brochure Supplement
For
Larry E. Jennings, Jr.**

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This Brochure Supplement provides information about Larry E. Jennings, Jr. that supplements the ValStone Partners Brochure. You should have received a copy of that Brochure. Please contact Geoffrey Murray of ValStone Partners at 248-646-9200 Ext. 126 if you did not receive the ValStone Partners Brochure or if you have any questions about the contents of this Brochure Supplement.

The Date of this Brochure Supplement is March 29, 2024

Item 2 Educational Background and Business Experience

Larry E. Jennings, Jr., born June 19, 1963, attended Carnegie-Mellon University from 1980-1984, graduating with a B.S. degree in mathematics and economics, and from 1986-1987, receiving an MS in industrial administration. Mr. Jennings has served as a manager of ValStone Partners, LLC, an affiliate of ValStone Partners VI, LLC, ValStone Partners V, LLC, and ValStone Healthcare Properties Fund Manager, LLC, since its inception in 1999 and as a co-president of ValStone Asset Management, LLC since its inception in 1999. He has served as a manager of ValStone Partners V, LLC since its inception in 2011, as a manager of ValStone Partners VI, LLC since its inception in 2016, and as a manager of ValStone Healthcare Properties Fund Manager, LLC since its inception in 2018.

Item 3 Disciplinary Information

None.

Item 4 Other Business Activities

Mr. Jennings provides services to ValStone Partners' affiliate, ValStone Asset Management, LLC, in connection with the services ValStone Asset Management, LLC renders for the investments owned by ValStone Partners' private and non-private investment fund clients, in addition to the services he provides to ValStone Partners. Please see Item 10 of the ValStone Partners Brochure for a discussion of the services provided by ValStone Asset Management, LLC.

Item 5 Additional Compensation

Not applicable.

Item 6 Supervision

Mr. Jennings serves as co-manager of ValStone Partners along with Gerald C. Timmis III. Given the structure of the firm – that there are a limited number of employees and no employee senior to Mr. Jennings – Mr. Jennings does not have a traditional “supervisor.” However, all non-ministerial investment decisions that ValStone Partners makes for its clients require the approval of Mr. Jennings and Mr. Timmis. Also, Mr. Jennings is required to comply with ValStone Partners' compliance manual, and ValStone Partners' chief compliance officer is responsible for administering the policies and procedures set forth in the manual. Pursuant to ValStone Partners' Code of Ethics, any exceptions made and any remedial action to be taken under the Code of Ethics by ValStone Partners' chief compliance officer with respect to Mr. Jennings would require the approval of Mr. Timmis. Mr. Timmis may be reached at 248-646-9200, ext. 113.

Item 7 Requirements for State-Registered Advisers

Not applicable.

**Brochure Supplement
For
Eric R. Abel**

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This Brochure Supplement provides information about Eric R. Abel that supplements the ValStone Partners Brochure. You should have received a copy of that Brochure. Please contact Geoffrey Murray of ValStone Partners at 248-646-9200 Ext. 126 if you did not receive the ValStone Partners Brochure or if you have any questions about the contents of this Brochure Supplement.

The Date of this Brochure Supplement is March 29, 2024

Item 2 Educational Background and Business Experience

Eric R. Abel, born July 2, 1968, attended the University of Delaware from 1986 to 1990, graduating with a B.S. degree in economics. Mr. Abel has served as a principal of ValStone Partners, LLC, an affiliate of ValStone Partners VI, LLC, ValStone Partners V, LLC, and ValStone Healthcare Properties Fund Manager, LLC, since its inception in 1999 and as the executive vice-president of ValStone Asset Management, LLC since its inception in 1999. He has served as a principal of ValStone Partners V, LLC since its inception in 2011, as a principal of ValStone Partners VI, LLC since its inception in 2016, and as a principal of ValStone Healthcare Properties Fund Manager, LLC since its inception in 2018.

Item 3 Disciplinary Information

None.

Item 4 Other Business Activities

Mr. Abel provides services to ValStone Partners' affiliate ValStone Asset Management, LLC, in connection with the services ValStone Asset Management, LLC renders for the investments owned by ValStone Partners' private and non-private investment fund clients, in addition to the services he provides to ValStone Partners. Please see Item 10 of the ValStone Partners Brochure for a discussion of the services provided by ValStone Asset Management, LLC.

Item 5 Additional Compensation

Not applicable.

Item 6 Supervision

Mr. Abel is supervised by ValStone Partners' co-managers, Gerald C. Timmis III and Larry E. Jennings, Jr., and all non-ministerial investment decisions that ValStone Partners makes for its clients require the approval of Mr. Timmis and Mr. Jennings. Also, Mr. Abel is required to comply with ValStone Partners' compliance manual, and ValStone Partners' chief compliance officer is responsible for administering the policies and procedures set forth in the manual. Pursuant to ValStone Partners' Code of Ethics, any exceptions made and any remedial action to be taken under the Code of Ethics by ValStone Partners' chief compliance officer with respect to Mr. Abel would require the approval of Mr. Jennings and Mr. Timmis. Mr. Jennings may be reached at 410-244-0000, ext. 110 and Mr. Timmis may be reached at 248-646-9200, ext. 113.

Item 7 Requirements for State-Registered Advisers

Not applicable.