



**Form ADV Part 2A: FIRM BROCHURE**

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This brochure (“Brochure”) provides information about the qualifications and business practices of Slate Advisory Service (US) LLC (“SLAM US”). If you have any questions about the contents of this Brochure, please contact us at 312-847-1480 or [compliance@slateam.com](mailto:compliance@slateam.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

SLAM US is a registered investment adviser. Registration of an investment adviser with the SEC does not imply a certain level of skill or training.

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

## Item 2 – Material Changes

There have been no material changes since SLAM US' brochure last Brochure amendment filed on March 31, 2023. SLAM US routinely makes changes throughout its Brochure to improve and clarify the descriptions of its business practices and compliance policies and procedures or in response to evolving industry best practices and Firm practices. In this year's filing, the following Items have been updated, in addition to certain immaterial changes and/or conforming changes related to the following:

- Item 4: updated to reflect regulatory assets under management as of December 31, 2023;
- Item 5: updated to reflect certain fund's payment of expenses related to environmental, social, governance activities; and
- Item 8: updated to reflect additional risk factors and potential conflicts of interest in connection with the new strategy.

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## Item 4 – Advisory Business

### Firm Description

Slate Advisory Service (US) LLC (“SLAM US”), a Delaware limited liability company, provides investment advisory services to private investment funds and other investment vehicles. SLAM US is a wholly owned indirect subsidiary of Slate Asset Management Holdings (US) L.P., both of which are part of the broader family of companies controlled by Blair Welch and Brady Welch and which include Slate Asset Management L.P. and its affiliates (collectively “SLAM”). SLAM is a global investment and asset management firm headquartered in Canada and founded in 2005 by Blair Welch and Brady Welch. SLAM’s real estate investments span opportunistic, value-add and core strategies developed through the partners’ relationships throughout numerous facets of the commercial real estate industry in Canada, the U.S. and internationally.

SLAM US was formed in 2020 and has entered into management services agreements with its two relying advisers, Slate Asset Management (Canada) L.P. and Slate Asset Management (Europe) Limited (and together, the “Advisers”). The Advisers collectively operate as a single advisory business and provide investment advisory services to certain SLAM-affiliated pooled investment vehicles (each, a “Fund”).

In certain circumstances, as more fully described in Item 7 below, the Advisers also permit certain limited partners and third parties to make co-investments in a single investment alongside a Fund. Such co-investments are structured either as (i) a special purpose vehicle established to invest alongside a Fund in a single portfolio investment or (ii) a direct investment into such portfolio investment (in which case such direct co-investment is not considered a Fund or client of SLAM).

In addition to the Funds, the Advisers serve as the investment manager or subadviser to separate accounts for institutional clients, joint venture partnerships and other investment partnerships. In some instances, these accounts invest in the similar types of assets as one or more of the Funds but have modified investment guidelines that are tailored to the individual objectives of the account. In each such case, these accounts do not involve investment management of securities and are therefore not included in this Brochure.

Each Fund is affiliated with a general partner (“General Partner”) with authority to make investment decisions on behalf of the Funds. These General Partners are deemed registered under the Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder (“Advisers Act”), pursuant to SLAM US’ registration in accordance with SEC guidance. The applicable General Partner of each Fund retains investment discretion and limited partners in the Funds do not participate in the control or management of the Funds. While maintaining ultimate authority over their respective Funds, the General Partners have entered into a management services agreement with SLAM US or the relying advisers, and such management services agreements designate SLAM US or one of the relying advisers as the investment adviser for each such Fund.

The Advisers' Funds include both closed-end and open-end vehicles. In the closed end-Funds, each limited partner makes an up-front commitment to contribute a stated amount of capital as called by an Adviser for investment or other fees and expenses, and generally cannot withdraw capital prior to the end of the stated multi-year term of the fund. In the open-end Funds, capital contributions and redemptions are permitted at stated intervals at then-current net asset values, subject to certain lock-up periods and gates and in the General Partner's discretion.

### **Advisory Services**

The Advisers provide discretionary advice to the Funds. The Funds typically make direct investments (including as a co-owner) in opportunistic, value-add and core real estate assets and indirect investments in such assets through the acquisition of an interest in a partnership, trust, corporate body or other entity which directly or indirectly holds such assets. The Advisers' investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of purchase and sale of investments, managing and monitoring the investments and achieving dispositions of such investments.

The Advisers' investment advice and authority for each Fund is tailored to the investment objectives of that Fund; investment advice is not tailored to the individual needs of limited partners in the Funds. These Fund investment objectives are described in and governed by, as applicable, the private placement memorandum, limited partnership agreement, investment advisory agreements, management services agreements, side letter agreements and other governing documents of the relevant Fund (collectively, "Governing Documents") and limited partners determine the suitability of an investment in a Fund based on, among other things, the Governing Documents. The Advisers generally do not seek or require limited partner approval regarding each investment decision.

Fund limited partners generally cannot impose restrictions on investing in certain securities or types of securities, other than through side letter agreements. Limited partners in the Funds participate in the overall investment program for the applicable Fund and generally cannot be excused from a particular investment except in certain circumstances pursuant to the terms of the applicable Governing Documents. In accordance with industry common practice, the Advisers have entered into side letters or similar agreements with certain limited partners including those who make substantial commitments of capital or were early stage limited partners in the Funds, or for other reasons in the sole discretion of such Adviser in each case that have the effect of establishing rights under, or altering or supplementing, a Fund's Governing Documents. Such rights entered into include provisions whereby limited partners have expressed an interest in participating in co-investment opportunities, certain fee arrangements, notification provisions, advisory committee representation, regulatory excuse rights, reporting requirements and "most favored nations" provisions, among others. These rights, benefits or privileges are not always made available to all limited partners, consistent with the Governing Documents and general market practice. Commencing in September 2024, the Advisers will make disclosure of certain side letters, as required, to investors (and in certain cases, to prospective investors) in accordance with the new Private Fund Rule. Side letters are

negotiated at the time of the relevant limited partner's capital commitment, and once invested in a Fund, limited partners generally cannot impose additional investment guidelines or restrictions on such Fund. There can be no assurance that the side letter rights granted to one or more limited partners will not in certain cases disadvantage other limited partners.

### **Principal Owners/Ownership Structure**

SLAM US is a wholly owned subsidiary of Slate Asset Management (US) L.P. and is indirectly owned by Slate Asset Management Holdings (US) L.P., which in turn is owned, indirectly, by Blair Welch and Brady Welch. Additional investors have minority ownership or revenue interests, none of such other entities or individuals exercise control of the registrant or serve on any Fund limited partner advisory committees.

### **Regulatory Assets Under Management**

As of December 31, 2023, SLAM US and its relying advisers managed approximately \$4.314 billion in Fund regulatory assets under management, all on a discretionary basis. SLAM US does not manage any investments on a non-discretionary basis.

### **Item 5 – Fees and Compensation**

In connection with the provision of investment advisory services, the relevant Adviser receives a management fee (as provided under the management services agreement) and other SLAM affiliated entities receive, depending on the Fund, leasing fees, construction management fees, acquisition fees, certain fixed fees and other fees as compensation for providing, respectively: (i) investment advisory services to the Funds; (ii) services with respect to leasing assets; (iii) redevelopment or leasehold improvement services; (iv) services related to, and initial payment of reimbursable expenses incurred in association with, acquiring portfolio investments; and (v) certain other services as determined to be in the best interest of the Funds. Additionally, an affiliate of SLAM will generally be allocated a carried interest provided that certain return thresholds have been achieved for Fund limited partners.

The following is a general description of fees and compensation of the Funds. Differences exist from Fund to Fund, and certain Funds do not charge certain fees, compensation or expenses that other Funds charge or charge them in different amounts. Certain additional compensation amounts will be in addition to the management fees otherwise payable to SLAM while other additional compensation amounts will generally reduce the management fees otherwise payable to SLAM or its affiliates. Limited partners in the Funds also bear certain expenses, as described below.

Limited partners should refer to the Governing Documents of the applicable Fund for a complete understanding of how the Advisers and their affiliates are compensated for their advisory services; the information contained herein is a summary only and is qualified in its entirety by such documents.

## Management Fees

Each Adviser charges the applicable Funds for which it provides services a management fee (the “Management Fee”) which is generally up to 2% of assets under management (which are measured by committed capital, invested capital or net asset value, depending on the Fund and/or the point of a Fund’s lifecycle) and is assessed quarterly in advance. Each Adviser has the ability to charge such Management Fees directly to the Fund and/or institute a capital call from underlying limited partners to pay such Management Fee; however, in certain circumstances, the Management Fee will be paid directly to an Adviser by a portfolio investment. Management Fees were negotiated with the Fund’s limited partners during the fundraising period of the applicable Fund and are not subject to negotiation thereafter. In the event a Fund terminates its advisory contract with an Adviser in accordance with such Fund’s Governing Documents, any pre-paid Management Fees will generally be prorated for the period during which the Adviser has served as investment adviser to such Fund and a refund will be issued for any remaining days in such period.

The amount of Management Fees pertaining to the Firm’s closed-ended Funds generally will not correspond with fluctuations in the relevant Fund’s net asset value, including following the stepdown date, and will not be reduced in connection with any write-downs, except in the case of investments that have been permanently written down. Except where the Governing Documents expressly provide to the contrary, Management Fees will not be reduced (in whole or in part) in the case of partial distributions (e.g., those resulting from a dividend recapitalization) or partial sales of investments. In addition, Management Fees generally will not be reimbursed or refunded under the Governing Documents in the event of realizations, dispositions or partial write-downs that occur partway through the relevant calculation period.

The Advisers are permitted, in their sole discretion, to reduce or waive all or a portion of the Management Fee. Management Fees differ from one Fund to another, as well as among limited partners in the same Fund. Such differences can arise from the size of a limited partner’s commitment to a Fund, provisions of side letter agreements or other negotiated terms. Each Adviser is permitted to waive fees for SLAM employees, affiliates and their respective families investing in a Fund. Similarly, some investors in a co-investment fund/vehicle will pay a reduced Management Fee on the co-investment portion of their investment. However, as noted above, it is possible that the Management Fee or other fees are paid indirectly, at the portfolio investment level.

Management Fees will generally be reduced by (i) costs incurred by SLAM US in connection with the organization of such Fund that exceed a limit as specified in such Fund’s Governing Documents and (ii) if applicable, certain supplemental fees and compensation with respect to portfolio investments, including transaction, director, advisory, break-up and other similar fees that are payable to any SLAM employee, the amount of which are paid by the Funds (directly, or indirectly by the portfolio investments) and are determined by the Advisers on a transaction-by-transaction basis, subject to the terms set forth in each Fund’s Governing Documents. To date, SLAM has not charged such supplemental fees.

Each portfolio investment typically pays for or reimburses the Advisers for the travel of employees to visit portfolio investments. Any reimbursement by a portfolio investment of out-of-pocket expenses incurred by an Adviser, a General Partner or their respective affiliates will not be offset against the Management Fee payable by the Funds.

Depending on the Fund, at the end of each quarter, a Fund will either (i) calculate the Management Fee actually payable in respect of the preceding quarter, and either an Adviser or a Fund, as applicable, will respectively either (a) reimburse the Fund(s) for such excess or (b) shall pay the Adviser the amount of any difference or (ii) to the extent that an offset credit would reduce a Fund's Management Fee for a given quarter below zero, the credit will be carried forward for future application against payable Management Fees, and if a credit remains upon dissolution, a payment will be made to limited partners that have not elected to waive such amount for tax or other reasons. The amount and manner of such reduction, refund and/or repayment is set forth in the relevant Governing Documents of the applicable Fund.

### **Fee Receipt Allocation**

From time to time, an Adviser or a portfolio investment, in its sole discretion, pays a transaction fee, portion of the Management Fee, Carried Interest, equity grant or other fee to a third party, such as a consultant, adviser, finder, placement agent, joint venture partner, broker and/or investment banker.

### **Carried Interest**

A SLAM affiliate is generally associated with each Fund and is entitled to be allocated carried interest ("Carried Interest") with respect to the Funds, which is generally up to 20% of certain realized profits net of all expenses in excess of an annually compounded preferred return and which is subject to a catch-up provision. The catch-up provision generally requires an allocation of profits in excess of the preferred return initially be allocated equally between the SLAM affiliate and the Fund's limited partners. Such catch-up provision will apply until such time as the SLAM affiliate has received an amount equal to a specified percentage of the aggregate of all distributions in excess of the limited partner capital contributions. Carried Interest arrangements differ depending on the specific Fund, and each calculation as well as any clawback provisions are further described (i) in full detail in the relevant Fund's Governing Documents and (ii) more briefly in Item 6, below.

### **Manager Expenses**

The Advisers and their General Partner affiliates are responsible for and pay all of their day-to-day operating and administrative expenses, including expenses incurred for rent, furnishings, utilities, supplies, general marketing and other general overhead expenses and compensation of all employees, bonuses, commissions, and executive compensation, except in each case as otherwise qualified in each Fund's Governing Documents.



## Fund Expenses

Each Fund is governed by its own Governing Documents, which detail a description of expenses for such Fund. While differences exist among Funds, the following is a description of expenses generally charged to the Funds.

The Funds pay all expenses of operating the Funds, their subsidiaries and intermediate entities (which differs across Funds) (except those reimbursed by a portfolio investment), including, but not limited to:

- all costs and expenses attributable to conducting due diligence, acquiring, holding, financing, refinancing and disposing of portfolio investments (including, without limitation, interest on money borrowed by a Fund or the General Partner on behalf of such Fund, registration expenses and brokerage and finders' fees (other than placement agent fees in respect of the Fund's equity financing, which placement agent fees shall be borne by the Advisers) and custodial and other fees);
- legal, accounting, auditing, consulting, valuation services and other fees and expenses of advisors of a Fund (including, without limitation, expenses associated with the preparation of Fund financial statements and tax reporting information);
- fees payable to an Adviser or an affiliate of an Adviser (such as the Management Fee, AIFM fee and, as applicable based on the Fund, the construction management fee, leasing fee, acquisition fee, fixed fees and certain other relevant fees);
- documented out-of-pocket expenses of the advisory committee incurred in accordance with the applicable provisions of the relevant Governing Document;
- expenses related to attending industry meetings, conferences or similar events in connection with the evaluation of investment opportunities or business sector opportunities (including the evaluation of potential investments, regardless of whether such investment is ultimately consummated);
- litigation, insurance and indemnification costs and expenses, judgments and settlements relating to a Fund;
- compliance with any environmental, social, governance ("ESG"), tax or financial account reporting regime, including any information reporting regime and any similar laws, rules and regulations, including any costs of any third-party service providers and professionals related to the foregoing;
- all fees, costs and expenses incurred in connection with establishing, implementing, monitoring, reporting on and/or measuring ESG or impact-related programs and initiatives with respect to a

Fund or its investments or any prospective investments (including all fees, costs and expenses incurred in connection with the operation of the impact and ESG diligence process, ongoing impact and ESG-related assessments, and any other assessments, measurements, advice or reports prepared on or conducted as part of implementing, monitoring and maintaining such programs, including fees, costs and expenses charged by any service providers);

- all other reasonable out-of-pocket fees and expenses incurred by any of a Fund, an Adviser or its officers and employees relating to investment, financing, refinancing and disposition opportunities for a Fund not consummated, including for co-investments (including, without limitation: (A) reasonable travel fees and expenses (which, for greater certainty, shall not include the costs of any charter flights in excess of first class travel rates); (B) legal, accounting, auditing, consulting and other fees and expenses; (C) financing commitment fees; and (D) printing);
- any taxes, fees and other governmental charges levied against a Fund (other than any taxes attributable to or otherwise borne by a limited partner);
- fees, costs and expenses of third parties retained by SLAM in accordance with the applicable provisions of the relevant Governing Document;
- brokerage commissions, hedging costs, prime brokerage fees, custodial or depositary expenses, clearing and settlement charges and other investment costs, fees and expenses actually incurred in connection with making, holding, settling, monitoring or disposing of actual investments (including, without limitation, any costs or expenses relating to currency conversion in the case of permitted investments denominated in a currency other than the U.S. dollar);
- technology, information systems and software expenses, including without limitation, research, news and quotation equipment and services, deal-sourcing, specialized or customized reporting and accounting, asset management, property management, monitoring and management and documentation maintenance functions, other software and technology-related costs, costs and expenses of technology service providers and related software/hardware and market data and research utilized in connection with a Fund's investment and operational activities, costs charged to a Fund by an affiliate for using proprietary software and products owned by such affiliate, provided that such cost shall be consistent with arm's length market terms;
- expenses related to compliance-related matters and regulatory reporting obligations specifically relating to a Funds activities and/or other regulatory filings, notices or disclosures relating to a Fund and its activities;
- any costs and expenses associated with vehicles through which a Fund or the limited partners directly or indirectly participate in permitted investments;

- interest and fees and expenses arising out of all borrowings made by a Fund, including, but not limited to, the arranging thereof;
- expenses of liquidating a Fund;
- any transitional capital payments contemplated in a master services agreement; and
- any other costs, expenses or changes for services provided by the General Partner pursuant to the Governing Document which have been approved by the advisory committee but with respect to all of the above (the “Fund Expenses”), excluding (A) Organizational Expenses (as defined below), and (B) ordinary overhead and administrative expenses which are payable by an Adviser.

Out-of-pocket expenses associated with completed transactions are either billed directly to a Fund, reimbursed by a portfolio investment or capitalized as part of the acquisition price of a consummated transaction. Out-of-pocket expenses associated with unconsummated transactions (“broken deal expenses”) are paid by the relevant Fund(s) selected as proposed limited partners in such transaction, including broken deal expenses incurred before a limited partner’s admission into a Fund.

For information on the Advisers’ brokerage practices and fees, please see Item 12, below.

### **Offering and Organizational Expenses**

Each limited partner will bear its pro rata share of the Fund’s organizational expenses of such Fund (“Organizational Expenses”). The amount and type of permitted Organizational Expenses varies by Fund and is further detailed in the relevant Fund’s Governing Documents. The amount of Organizational Expenses in excess of such permitted limit are offset dollar for dollar against Management Fees.

### **Co-Investment Fees and Expenses**

As described above, in certain circumstances, the Advisers permit certain limited partners to co-invest in investments alongside one or more Funds, subject to the Advisers’ related policies and procedures, the relevant Governing Documents and/or side letter(s) or similar arrangements. Where a co-investment vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. Expenses incurred for direct co-investments are borne directly at the portfolio investment level. In the event a proposed transaction is not consummated, the full amount of any fees and expenses generated in the course of evaluating such investments, including any broken deal expenses, would generally be borne by the relevant Fund(s) selected as proposed investors for such proposed transaction and not by any prospective co-investors that were to have participated in such transaction. As a result, the Fund(s) selected as proposed investors for such proposed transaction will bear more than what would otherwise have been its share of such broken deal expenses. Conversely, co-investors who commit to a transaction after a Fund signs a definitive purchase agreement will lower the risk of broken deal or similar expenses

incurred by such Fund (and indirectly, by such Fund's limited partners) in connection with such transaction based on the timing of when a co-investor becomes contractually obligated to invest. However, broken deal expenses incurred in connection with a follow-on investment for an existing portfolio investment for which the co-investment was originally created are generally capitalized at such portfolio investment.

### **Leasing, Construction Management, Acquisition and Other Fees**

Affiliates of the relevant Fund's General Partner will provide, as applicable depending on the relevant Fund: (i) leasing services to the Funds and will in turn receive a leasing fee; (ii) redevelopment services or leasehold improvement services to the Funds and will in turn receive a construction management fee; (iii) services in relation to, and initial payment of reimbursable expenses incurred in association with, acquiring portfolio investments and will in turn receive acquisition fees; and (iv) other services as determined appropriate or necessary in the good faith discretion of the relevant General Partner and for which compensation will generally be paid in fixed fee or other amounts. The amount and calculation of such fees is described in greater detail in each Fund's Governing Documents.

### **Allocation of Fees and Expenses**

In good faith and in its fair and reasonable discretion, the Advisers determine on a case-by-case basis whether an expense should be borne by an Adviser, a Fund, multiple Funds or a portfolio investment. Some expenses are incurred on an aggregate basis for the benefit of multiple Funds and/or the Advisers. To the extent that the Governing Documents do not expressly provide for a method of allocation or to the extent that an invoice does not relate to a specific Fund, the Advisers will typically allocate common expenses among multiple Funds on a pro rata basis and in accordance with its policies and procedures on expense allocation, unless another method is more equitable. The aggregate cost of such expenses are allocated in a fair and reasonable manner and in the Advisers' sole discretion. Where one or more Funds to which an expense would otherwise be allocable are not permitted to receive an allocation based on the applicable Governing Documents, the portion of the expense attributable to such Fund(s) will be borne by an Adviser.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

A carried interest allocation represents an adviser's compensation based on a percentage of net profits of the funds it manages. As described above in Item 5, an affiliate of SLAM is entitled to receive a Carried Interest allocation on certain realized profits in the Funds of up to 20% of certain realized profits subsequent to reimbursement of all capital called to pay relevant Fund expenses, including Management Fees and certain other fees payable to SLAM or its affiliates, and subject to a specified preferred return, including relevant catch-up provisions. Such catch-up provision will apply until such time as the SLAM affiliate has received a figure equal to a specified percentage of the aggregate of all distributions in excess of the limited partner capital contributions. Calculated based on cumulative realized gains and income only, Carried Interest is allocated to a SLAM affiliate as cash is distributed and is subject to a potential after-tax giveback if the respective SLAM affiliate has received excess

cumulative distributions. Further, depending on the Fund, in some cases, the payment of the Carried Interest allocation will also be subject to the SLAM affiliate first receiving a fixed fee or allocation of net operating income. Each Fund's Carried Interest calculation, as well as the clawback provisions of each Fund, is further described in the relevant Fund's Governing Documents received by each limited partner prior to investment in a Fund.

These performance fee arrangements have been structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. The General Partner of each Fund, in its sole discretion, is permitted to waive or reduce the amount of Carried Interest for certain Fund limited partners. Specifically, if principals and employees and their respective family are Fund limited partners, they will generally pay reduced Carried Interest or none at all. Similarly, investors in co-investment funds/vehicles generally pay a lower amount of or no Carried Interest on the co-investment portion of their investment.

The fact that a General Partner's Carried Interest allocations are based on the performance of each Fund can create an incentive for an Adviser to make investments that are more speculative than would be the case in the absence of such distributions or to allocate an investment to a Fund that earns a higher Carried Interest. The Advisers believe this incentive is sufficiently mitigated, however, due to the fact that: (i) the applicable Governing Documents create limitations on the ability of the Advisers to establish new investment funds; (ii) any losses a Fund sustains will reduce the General Partner's Carried Interest distribution; (iii) Carried Interest is generally calculated only after limited partners have received as distribution 100% of their capital contributions plus a preferred return; (iv) a General Partner often makes a substantial commitment to a Fund to invest its own capital alongside the limited partners; and (v) SLAM's ability to attract future limited partners is generally tied to the performance of its prior investments. The Advisers generally consider performance-based compensation to better align their interests with those of its limited partners, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals.

The Advisers manage multiple Funds and other investment vehicles on a side-by-side basis. Management of multiple vehicles on a side-by-side basis has the potential to create conflicts of interest with regard to the Advisers' allocation of investment opportunities, expenses, time and attention of advisory personnel and consideration for certain transactions. While such Funds and investment vehicles generally have various geographic or market sector differences, the Funds and investment vehicles share similar investment strategies and there exists a potential for overlap with regard to certain instruments or investments. These conflicts of interest can create an incentive for the Advisers or its personnel to favor a Fund or other investment vehicle in which the Advisers or an affiliate has a greater financial interest. To the extent that the Advisers manage Funds with varying Carried Interest terms (including amount, timing waterfall conditions or other terms) and/or Adviser personnel are assigned different percentages of Carried Interest in different Funds, the Advisers and such personnel are subject to potential conflicts of interest to the extent they are involved in identifying investment

opportunities as appropriate for a Fund from which they are entitled to receive a higher Carried Interest percentage.

To help minimize such conflicts of interest, the Advisers allocate investment opportunities which satisfy the investment parameters of more than one Fund in accordance with the Advisers' policies and procedures, the applicable Governing Documents and taking into consideration certain factors it determines are relevant in its sole discretion, which include, but are not limited to: the amount of available capital commitments of the applicable Fund(s); anticipated future capital requirements of an investment opportunity; life-cycle of the applicable Fund(s); expected time to obtain liquidity; legal, tax and regulatory considerations; and any other factors deemed relevant by the Advisers. The Advisers' policies and procedures are designed to ensure that all investment decisions are made in accordance with their fiduciary duties to the Funds and without consideration of their (or their affiliates' or employees') pecuniary interest. The Advisers will not allocate investment opportunities based in whole or in part on the relative fee structure or amount of fees paid by any Fund or the profitability of any Fund. Investment allocation decisions are determined by the relevant investment committee.

## **Item 7 – Types of Clients**

The Advisers provide investment advice to their clients, which include the Funds, real estate investment trusts, other similar investment vehicles and co-investment vehicles. Limited partners in the Funds must meet certain suitability qualifications prior to making an investment in the Funds. The Funds typically require capital commitments from each limited partner of at least \$10 million, depending on the Fund, although the applicable Fund's General Partner has, in its sole discretion, accepted lesser amounts.

The limited partners participating in the Funds include high net worth individuals, other investment entities, university endowments, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations, corporations, limited partnerships, limited liability companies or other business entities, or other service providers retained by SLAM and typically include, directly or indirectly, principals or other employees of SLAM and its affiliates and members of their families.

From time to time, the Advisers offer co-investment opportunities to certain limited partners and third-party investors to invest alongside a Fund in certain investments. Opportunities to participate in a co-investment transaction are made in SLAM's sole discretion after taking into account the applicable Fund's investment limitations, the size of the investment opportunity and the demand among potential co-investors. While one or more limited partners in the Funds are on occasion invited to co-invest in a Fund's portfolio investment, the Advisers are generally authorized in their sole discretion to offer any or all of a co-investment opportunity to investors that are not limited partners in the Funds. Such determinations are based on the provisions of the applicable Governing Documents, side letter agreements and such other factors as the relevant Adviser will consider in its sole discretion, including those specified in the Advisers' policies on investment allocation and co-investments. Subject to any restrictions contained in the Governing Documents of the relevant Fund

or any side letter or other terms negotiated with respect to such Fund, including lender requirements, in general no investor has a right to participate in any co-investment opportunity. Opportunities to invest in a portfolio investment are made available to select persons or entities, including, without limitation, Fund limited partners, third-party investors, strategic investors, joint venture partners, lenders, deal sources (including finders and consultants), other sponsors (including other real estate and private equity firms), service providers, portfolio investment executives, other persons or entities affiliated, associated or otherwise known to SLAM or its personnel. Additionally, certain individuals who source transactions or provide financing on occasion negotiate co-investment rights or co-investment priority rights as a component of their compensation or other arrangements with the relevant Fund(s). When co-investment opportunities are permitted, it is possible that the size of the investment opportunity otherwise available to a Fund will be less than it would otherwise have been without the inclusion of such co-investors. SLAM's exercise of discretion in allocating co-investment opportunities will not result in proportional allocations among co-investors and such allocations can be more or less advantageous to some co-investors relative to other co-investors.

Co-investments typically involve investment and disposal of interests in the applicable portfolio investment at the same time and on the same terms as a Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-investment fund purchases a portion of an investment from a Fund after such Fund has consummated its investment in the portfolio investment (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-investment fund generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment; however, in certain instances, a post-closing sell-down or transfer could occur well after the Fund's initial purchase. When co-investors purchase their interest from a Fund after the Fund has consummated the investment, the price paid by co-investors is typically determined by the Fund's General Partner in its sole discretion. Where appropriate, and in the Advisers' sole discretion, the Advisers reserve the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund. The price may not reflect the full cost incurred by the Fund in connection with the investment, any interest charge on the co-investment amount, the cost of establishing the credit facility utilized to acquire the portfolio investment (if applicable) or the risk borne by the Fund in connection with purchasing and warehousing the investment. The Funds will bear the risk that any co-investors acquiring an interest in an investment after the closing of such investment will acquire such interest on terms that do not reflect the then-current value of such investment.

In the event an Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, it is possible that a Fund will consequently hold a greater concentration and have greater exposure in the related investment opportunity than was originally intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto and would result in a greater concentration of risk as a result. To mitigate such risk, each investment is subject to concentration limits as described in the

relevant Fund Governing Documents. Despite these concentration limits, it is possible an investment that is not syndicated to co-investors as originally anticipated could result in a significant impact to a Fund's overall investment returns. In either case, potential co-investors typically do not bear any transaction costs of investments that are not consummated and are not subject generally to the same risks to which a Fund is throughout the investment process. In addition, to the extent that an Adviser engages in a secondary liquidity transaction in connection with an investment, co-investors will not necessarily receive the same liquidity options as limited partners in a Fund and may therefore be compelled to receive cash or continue to hold an interest in the investment, depending on the particular facts of the transaction.

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

### **Methods of Analysis and Investment Strategy**

The Funds make (i) direct investments (including as a co-owner) in opportunistic, value-add and core real estate assets, (ii) indirect investments in such real estate assets through the acquisition of an interest in a partnership, trust, corporate body or other entity which directly or indirectly holds such assets and (iii) investments involving transitional capital to special situations in the real estate industry, including any of the following: (a) debt related to real estate (including mortgages, loans, mezzanine, notes, bonds, commercial mortgage-backed securities, and other forms of debt, and including both convertible and non-convertible debt); and (b) common, preferred, convertible preferred and other equity interests in persons that directly or indirectly hold real estate or debt related to real estate, and warrants, rights or options to purchase any such equity interests. Funds generally have specific geographic focuses (such as North America (which can be further concentrated in Canada/US) or Europe (which in turn can be further concentrated within a specific country, such as Germany)) or specific categories of real estate (such as those affiliated with retail grocery chains or infrastructure).

The exact investment strategy implemented by the Advisers will depend on the specific investment objectives of the Fund. However, as a general matter, the Advisers monitor certain macroeconomic factors such as, but not limited to: international trade tensions; the price of oil and other commodities; growth in consumer debt; consumer logistic chains; and accessibility of housing markets. The Advisers generally look for situations that they believe have created opportunities to purchase quality real estate assets at a discount to their intrinsic value, such as (i) when economic uncertainty has resulted in certain REITs trading at levels below net asset value, (ii) where tenants are being charged below market rents or (iii) where the scale of the investment opportunity makes it less attractive to larger capital pools. The Funds typically seek to avoid competition when purchasing portfolio investments as such competition often increases the price paid for underlying assets and thus decreases the potential upside of such investment. Additionally, on occasion the Funds seek to purchase assets from terminating third-party funds and non-performing loan situations where it believes the structural issues involved with such situations create a value opportunity for investors with longer time horizons.



As a vertically integrated real estate manager, SLAM's team has in-house acquisition, legal, leasing, development and construction expertise, in addition to solid relationships with external advisors, all of which SLAM believes positions the Advisers to take advantage of opportunities that other investors cannot, or to further enhance the value of such opportunities.

The applicable Governing Documents of each Fund set forth more detailed descriptions of each Fund's investment strategies and methods of analysis. There can be no assurance that the Advisers will achieve the investment objectives of the Funds and a loss of investment is possible.

## **Risks and Conflicts of Interest**

### **Risks**

An investment in the Funds involves a high degree of risk, including the risk of a partial or total loss of capital, and limited partners must be prepared to bear capital losses which might result from investments. An investment in the Funds is speculative, illiquid and long-term in nature, and is suitable only for those limited partners who have the financial sophistication and expertise to evaluate the merits and risks of an investment in the Funds.

The risks and material conflicts of interest that a Fund encounters include those discussed below and elsewhere in this Brochure; however, limited partners should also refer to a Fund's Governing Documents for a description of the risk factors and conflicts of interest specific to their Fund. Identifying all risks or potential conflicts of interest is complex and fact intensive and it is not possible to foresee every risk or conflict of interest that will arise during a Fund's life or that even if identified, will be resolved in a manner that is favorable to such Fund. Therefore, different or new risks or conflicts of interest not addressed below will likely arise in the future and the following list is not intended to be exhaustive of all risks and conflicts or their potential consequences. Risks and potential conflicts of interest include, but are not limited to, the following:

*Limited Number of Investments.* A Fund will generally participate in a limited number of investments and, as a consequence, a Fund's aggregate return can be substantially affected by the unfavorable performance of a single investment. In addition, a Fund's portfolio can be disproportionately weighted towards certain types of real estate (*i.e.*, office or industrial) and certain geographical markets. Any such weighting has the potential to overexpose a Fund to market conditions for the asset class and geographical market.

*Possible Lack of Diversification.* For Funds that include diversification as an objective, there is no assurance as to the degree of diversification that will actually be achieved in a Fund's investments either by geographic region or a portion of the investment, and there is a risk that a Fund will be unable to successfully complete such a financing or sale, which could lead to a Fund having an unintended long-term investment and reduced diversification. If an investment performs unfavorably, a Fund, and thus the limited partners, may experience a partial or total loss of capital. As some Funds' investments will be limited to specific investment jurisdictions, the performance of those Funds will

also be affected by real estate markets in those jurisdictions. Due to the concentrated location of certain Funds' properties, a number of the properties could experience the same conditions at the same time.

*Limited Market for Acquisition Opportunities.* The Funds' success depends on the availability of appropriate investment opportunities and SLAM's ability to identify, select, close and exit those investments. There can be no assurance that there will be a sufficient number of suitable investment opportunities to invest the Funds' committed capital or that such investment opportunities will lead to completed investments.

The real estate market is competitive. Numerous other developers, managers and owners of properties compete with SLAM in seeking tenants. Some of the properties owned by the Funds' competitors are better located, are of a better quality or are less leveraged than the properties owned by such Fund. Some of the Funds' competitors are better capitalized and stronger financially and hence better able to withstand an economic downturn. The existence of competition for tenants could have an adverse effect on a Fund's ability to lease space in its properties and on the rents charged or concessions granted, and could materially and adversely affect a Fund's cash flows, operating results and financial condition and a Fund's ability to make distributions. If SLAM's competitors have a lower cost of capital, increases in interest rates could make it more difficult to consummate acquisitions as the competitors would generally be enabled to bid higher prices for assets. It is possible that these factors would place SLAM at a competitive disadvantage with respect to acquisition opportunities.

The business of identifying, structuring, completing and realizing attractive infrastructure investments is highly competitive, and involves a high degree of uncertainty. A Fund may compete for the right to make investments with a number of other parties, including other consortia and companies, other private investment vehicles as well as individuals, financial institutions and other institutions, some of which may have greater resources than the Fund. As a result of such competition, a Fund may have difficulty in making certain investments or, alternatively, a Fund may be required to make investments on economic terms less favorable than anticipated. The Advisers cannot provide any assurance that the competitive pressures a Fund will face will not have a material adverse effect on its performance. A Fund may lose acquisition opportunities if it does not match prices, structures and terms offered by competitors or if it is unable to obtain indebtedness at attractive rates. Alternatively, a Fund may experience decreased rates of return and increased risks of loss if it matches prices, structures and terms offered by competitors.

The Advisers cannot provide any assurance that the competitive pressures they face will not have a material adverse effect on performance. SLAM would expect to lose certain acquisition opportunities in the future if it does not match prices, structures and terms offered by competitors or if it is unable to obtain indebtedness at attractive rates. Alternatively, SLAM would expect to experience decreased rates of return and increased risks of loss if it matches prices, structures and terms offered by competitors.

As a result of the foregoing, there can be no assurance that the Advisers will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve their targeted rate of return or fully invest the Funds' committed capital.

*Unspecified Use of Proceeds.* Limited partners will not have an opportunity to evaluate the relevant economic, financial and other information regarding any future investments and, accordingly, will be dependent upon the Advisers' judgment and ability in investing and managing the Funds' capital. No assurance can be given that the Advisers will be successful in obtaining suitable investments, or that if such investments are made, a Fund's objectives will be achieved.

*Projections.* Projected operating results of a company or asset in which a Fund invests normally will be based primarily on financial projections prepared by SLAM that is based on information provided by such property's management, with adjustments to such projections made by SLAM in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the property and third parties and assumptions made at the time the projections are developed. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio investment to realize projected values. The Funds use financial projections to help analyze a potential investment or future capital raises and financing for portfolio investments or other transactions. There can be no assurance that the results set forth in the projections will be attained, and actual results can be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

*Dependence on Key Personnel.* SLAM's success depends in substantial part upon the skill and expertise of its principals and the other individuals employed by SLAM to assist them. The composition of the professionals making up particular sector or geographic investment teams change over time, and there can be no guarantee that the professionals included in such teams and who have contributed to the past performance of any prior SLAM's Funds continue to be members of the particular team or serve in the same or similar roles thereon. Similarly, there can be no assurance that such principals will continue to be employed by SLAM and its Advisers and affiliates during the life of any Fund. The Advisers could be materially adversely affected by the loss of service of one or more of such principals.

*Time and Attention.* The employees of the Advisers will allocate such time and attention as is deemed appropriate and necessary to carry out the operations of the Funds effectively. However, the employees of each Adviser will work on other projects and on behalf of clients other than the current Funds; as a result, conflicts are expected to arise in the allocation of certain personnel and other resources. Unless restricted by the Governing Documents, the Advisers' personnel are permitted to serve on boards or act in other roles unaffiliated with SLAM, the Funds or their portfolio investments, including boards of charitable and educational institutions and public companies and receive compensation in connection with such services and roles. Such companies are not portfolio investments of a Fund and, as a result, any compensation received by an employee is not otherwise shared with the Funds and/or limited partners.

*Third-party AIFM.* For certain Funds, the relevant General Partner has selected and appointed an Alternative Investment Fund Manager (“AIFM”) as described in the European Union Directive EU 2011/65 (the Alternative Investment Fund Managers Directive or “AIFMD”) as manager and alternative investment fund manager of the Fund to perform certain regulated activities on behalf of the Fund. Termination of the AIFM’s appointment can only occur in limited circumstances pursuant to the terms of the Governing Documents. The AIFM is an alternative investment fund manager authorized by the CSSF and is not part of the SLAM Group. Neither SLAM nor the relevant General Partner controls the AIFM and, although they have entered into an agreement with the AIFM which contains certain representations, covenants and assurances, they are reliant on the AIFM and its personnel performing the agreed services, and maintaining the appropriate authorizations required to perform such services. As a third party, the AIFM will be subject to operational risks, such as inadequate or failed processes, human error and technical failures over which SLAM has no control. Further, the AIFM will act as investment manager to other fund vehicles not affiliated, and potentially in competition with SLAM. SLAM has no control over whether the AIFM accepts competing mandates and is reliant on the AIFM to adopt and maintain policies and processes to manage any conflicts of interest that arise.

*Effect of Change in Credit Markets.* Borrowing conditions in the credit markets have historically been cyclical. A tightening of the credit markets, a decrease in the availability of financing and/or an increase in the interest cost for leveraged transactions can impair a Fund’s ability to consummate future transactions and decrease the returns on an investment.

*Counterparty Risk.* It is expected that many of the Funds’ target investment purchases and dispositions will transpire in private markets. Differing market standards for counterparty credit evaluation has the potential to expose a Fund to the risk that a counterparty will not complete or settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (irrespective of whether bona fide), counterparty default, or inability to perform, causing the Fund to suffer a loss. Such “counterparty” risk is accentuated due to the current instability in the financial sector and for contracts with longer maturities or where a Fund has concentrated its transactions with a particular counterparty or group of counterparties. The Funds are not restricted from dealing with any particular counterparty or from concentrating its transactions with one counterparty. In addition, although in the majority of their purchase and sale transactions the Funds expect to transact with well-capitalized credit-worthy counterparties, there can be no assurance that such will be the case in every transaction (or that the counterparties will perform their obligations).

The ability of a Fund to transact business with any one or a number of counterparties, the lack of any meaningful and independent evaluation of such counterparties’ financial capabilities and the absence of a regulated exchange market to facilitate settlement can increase the potential for losses by the Funds.

*Potential Restrictive Covenants.* The Advisers are permitted to enter into one or more credit facilities for the Funds with one or more lenders in order to finance the acquisition of the Funds’ investments.

Such a credit facility may require the Funds to maintain specified financial ratios and comply with tests, including minimum interest coverage ratios, maximum leverage ratios, minimum net worth and minimum equity capitalization requirements. The Advisers may incur indebtedness under such credit facility that bears interest at a variable rate. Economic conditions could result in higher interest rates, which could increase debt service requirements on variable rate debt and could reduce the amount of cash available for other purposes. The Advisers may look to reduce the risk of variable rate debt on the Funds through entry into hedging, although this does not guarantee that any risk will be mitigated.

As is common market practice, lender(s) often require a change of control clause to be included within a credit facility, which tends to capture the removal/replacement of the relevant General Partner. The effect of this provision is that consent of the lender(s) would be needed for the limited partners to exercise any right of termination of a General Partner, unless the indebtedness outstanding at such time could be repaid. Even if the outstanding indebtedness was repaid, it is likely that the lender(s) would be unwilling to continue lending to the Funds until they were satisfied with the identity of the new General Partners.

*Investments with Joint Venture Partners and Other Third Parties.* The Funds often co-invest with joint venture partners and other persons through partnerships, joint ventures or other entities, and are permitted to make equity investments (including the investment in an initial portfolio) therefore acquiring non-controlling interests in certain investments. Although SLAM anticipates that it will negotiate appropriate rights to protect the Funds' interests, such permitted investments can involve risks not present in investments where a third party is not involved, including the possibility that the Funds will not be able to implement investment decisions or exit strategies because of limitations on the Funds' control of the property under applicable agreements with a partner or co-investor(s), or that a partner or co-investor may become bankrupt, or may, at any time, have economic or business interests or goals which are inconsistent with those of the Funds, may fail to fund their share of required contributions of subscriptions or otherwise default on their obligations, make dubious business decisions or block or delay necessary decisions. Such a partner or co-investor may also be in a position to take action contrary to a Fund's objectives, including but not limited to forcing sale of a property or portfolio prior to the Fund's optimal holding period. Such investments can also have the potential risk of an impasse on decisions if neither partner nor co-investor has full control over the partnership or co-investment. In addition, disputes between a Fund and a partner or co-investor(s) can result in litigation or arbitration that would increase the Fund's expenses and prevent the General Partner, the Adviser and their respective affiliates and the SLAM investment team from focusing their time and effort on the Funds' business and permitted investments. Consequently, actions by, or disputes with, a partner or co-investor(s) could result in additional risks, including liability for the actions of a third-party partner or co-investor(s) and the inability to enforce fully all rights one partner or co-investor may have against the other.

Furthermore, SLAM expects to rely on joint venture partners and other persons with whom it has strategic relationships as a source of deal flow and local asset management for certain Funds. There

can be no assurance that SLAM will be able to maintain these relationships or that these parties will act as successful sources of deal flow and local asset management.

*Risks Associated with Loans to and Investments in Companies in Distressed Situations.* As part of its lending and investment activities, certain Funds expect to originate loans to, or make equity investments in, companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although the terms of such transactions have the potential to result in significant financial returns to a Fund, they involve a substantial degree of risk. Any one or all of the transactions in which a Fund invests can prove to be unsuccessful or not show any return for a considerable period of time. The level of analytical sophistication, both financial and legal, necessary for successful financing to or equity investments in companies experiencing significant business and financial difficulties is unusually high. There can be no assurance that a Fund will correctly evaluate the value of the assets collateralizing its transactions or the prospects for a successful reorganization or similar action. Regardless of where a Fund's position is in any transaction, in any reorganization or liquidation proceeding relating to a company in which such Fund invests, the Fund has the potential to lose all or part of the amounts it has loaned or invested or can be required to accept collateral with a value less than the amount it has loaned or invested.

*Structural Subordination within the Same Capital Structure.* Certain Funds invest indirectly into its investments through one or more levels of subsidiary entities, which can be wholly or partially owned by such Fund. Equity owners in such subsidiaries, including for example, joint venture partners, will be structurally senior to limited partners in the investing Fund, and accordingly would receive equity distributions and returns to which they are entitled ahead of such Fund's limited partners (*i.e.*, the funds available to such Fund's limited partners will be net of any equity returns to which such lower-tier equity holders are entitled).

*Risks of Acquiring Real Estate Loans and Participations.* Real estate loans or participation interests therein acquired by the Funds can be nonperforming at the time of their acquisition and/or following their acquisition for a wide variety of reasons. Such nonperforming real estate loans can require a substantial amount of workout negotiations and/or restructuring, which can entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such loan. However, even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such real estate loan, replacement "takeout" financing will not be available. Purchases of participations in real estate loans raise many of the same risks as investments in real estate loans and also carry risks of illiquidity and lack of control. Although unlikely, it is possible that the Advisers will find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by a Fund. The foreclosure process varies by jurisdiction and can be lengthy and expensive. Borrowers often resist foreclosure actions, which often prolongs and complicates an already difficult and time consuming process. In some jurisdictions, foreclosure actions can take several years or more to conclude. During the foreclosure proceedings, a borrower has the ability to file for bankruptcy, potentially staying the foreclosure action and further delaying the foreclosure process. Foreclosure

litigation tends to create a negative public image of the collateral property and can result in disrupting ongoing leasing and management of the property.

*Commercial Mortgage Loans.* Certain Funds are permitted to invest in commercial mortgage loans, which are secured by multifamily or commercial properties and are subject to risks of delinquency and foreclosure, and risks of loss that are greater than similar risks associated with loans made on the security of single-family residential property. Commercial mortgage loans are usually non-recourse in nature. Therefore, if a commercial borrower defaults on the commercial mortgage loan, then the options for financial recovery are limited in nature. To the extent the underlying default rates with respect to the pool or tranche of commercial real estate loans in which a Fund directly or indirectly invests increase, the performance of a Fund's investments related thereto are likely to be adversely affected. Default rates and losses on commercial mortgage loans will be affected by a number of factors, including global, regional and local economic conditions in the area where the mortgage properties are located, the borrower's equity in the mortgage property and the financial circumstances of the borrower. A continued decline in specific commercial real estate markets and property valuations can result in higher delinquencies and defaults. In the event of default, the lender will have no right to assets beyond collateral attached to the commercial mortgage loan. In certain instances, a negotiated settlement or an amendment to the terms of the commercial mortgage loan are the only options before an ultimate foreclosure on the commercial property. Foreclosure is costly and often protracted by litigation and bankruptcy restrictions. The ultimate disposition of a foreclosed property can also yield a price insufficient to cover the cost of the foreclosure process and the balance attached to the defaulted commercial mortgage loan. The overall level of commercial mortgage loan defaults can be significant and market values of the underlying commercial real estate can remain distressed in many cases. It will not always be possible for lenders to dispose of foreclosed commercial real estate without incurring substantial investment losses, and ultimately leading to a decline in the value of such investments.

In the event of any default under a mortgage loan held directly by a Fund, it will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the mortgage loan, which could have a material adverse effect on the profitability of such Fund. In the event of the bankruptcy of a mortgage loan borrower, the mortgage loan to such borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the mortgage loan will be subject to the avoidance powers of the bankruptcy trustee or debtor-in-possession to the extent the lien is unenforceable under the law of the applicable jurisdiction.

*Distressed Investments; Workouts and Restructurings.* Certain Funds are permitted to include making investments in distressed situations or investments that become "non-performing" following such Fund's acquisition thereof. Certain of a Fund's investments will therefore include specific securities of real estate-based companies or other entities that typically are highly leveraged, with significant burdens on cash flow, and therefore involve a high degree of financial risk. Investments can include (i) capital infusions to real estate-based companies facing liquidity issues or significant debt maturities,

(ii) capital to finance operations or growth for real estate-based companies facing a cyclical downturn, non-recurring losses or contractual issues, (iii) capital infusions or debtor-in-possession financings to real estate based companies in bankruptcy, (iv) financing for acquisitions of real estate based businesses, frequently from distressed sellers or assets that are non-core to the seller or (v) real estate-based businesses facing capital structure, cyclical or operational distress. Certain Funds are permitted to also make “rescue” financings ranging from secured or unsecured debt to equity infusions including, without limitation, investments in real estate-based companies that are in need of liquidity or facing debt maturities, or provide growth capital to real estate-based companies who cannot access the capital markets due to cyclical factors or financial market dislocation. In addition, certain Funds are permitted to selectively pursue the acquisition of fulcrum securities/loan-to-own debt purchases as a means to gain control of assets upon a restructuring. Such securities are considered speculative, and the ability of such companies to pay their debts on schedule could be adversely affected by interest rate movements, changes in the general economic climate or the economic factors affecting the real estate industry, or specific developments within such companies. Investments in real estate-based companies operating in workout or bankruptcy modes also present additional legal risks, including fraudulent conveyance, voidable preference and equitable subordination risks. The level of analytical sophistication, both financial and legal, necessary for successful investment in real estate-based companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the Advisers will correctly evaluate the value of the assets collateralizing a Fund’s loans or the prospects for a successful reorganization or similar action.

As noted above, in certain limited cases (*e.g.*, in connection with a workout, restructuring and/or foreclosing proceedings involving one or more debt investments by a Fund), the success of such Fund’s investment strategy with respect thereto will depend, in part, on the ability of the Fund to effectuate loan modifications and/or restructure and improve the operations of portfolio entities. The activity of identifying and implementing any such restructuring programs and operating improvements entails a high degree of uncertainty. There can be no assurance that a Fund will be able to successfully identify and implement such restructuring programs and improvements.

*Equity Securities.* Certain Funds are permitted to invest in common, convertible and preferred stock and other forms of equity-related interests, including both public and private equity securities, and rights and royalties. Equity securities generally involve a high degree of risk and will be subordinate to the debt securities and other indebtedness of the issuers of such equity securities. Prices of equity securities generally fluctuate more than prices of debt securities and are more likely to be affected by poor economic or market conditions. The Funds could experience a complete loss on individual equity securities through which it makes portfolio investments.

*Investments in Public Companies.* The Funds are authorized, to the extent permitted by the Governing Documents, to invest in public companies. Investments in public companies result in risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability to dispose of such



securities at certain times (including due to the possession of material non-public information), increased likelihood of shareholder litigation against such companies' board members or the principals, regulatory action by the domestic or foreign securities regulators and increased costs associated with each of the aforementioned risks.

*Distressed Securities.* Investment in the securities of financially troubled and operationally troubled issuers involves a high degree of credit and market risk. There is a possibility that a Fund will incur substantial or total losses on its investments. During an economic downturn or recession, securities of financially troubled or operationally troubled issuers are more likely to go into default than securities of other issuers. Securities of financially troubled and operationally troubled issuers are less liquid and more volatile than securities of companies not experiencing financial difficulties. The market prices of such securities are subject to erratic and abrupt market movements and the spread between bid and asked prices can be greater than normally expected. In addition, it is anticipated that many investments will not be widely traded and that a Fund's investment in such securities will be substantial relative to the market for such securities. As a result, a Fund can experience delays and incur losses and other costs in connection with the sale of its investments.

*Defaulted Securities.* Certain Funds are permitted to invest in the securities of real estate-based companies involved in bankruptcy proceedings, reorganizations and financial restructurings, and that are facing significant debt maturities, and carry the potential to have a more active participation in the affairs of the issuer than is generally assumed by investors. This can subject such Fund to litigation risks or prevent the Fund from disposing of securities. In any reorganization or liquidation proceeding relating to a real estate-based company in which a Fund invests, the Fund has the potential to lose its entire investment, can be required to accept cash or securities with a value less than the Fund's original investment and/or can be required to accept payment over an extended period of time. In a bankruptcy or other proceeding, a Fund as a creditor could be unable to enforce its rights in any collateral or have its security interest in any collateral challenged, disallowed or subordinated to the claims of other creditors.

*Senior and Secured Debt.* Certain Funds' investments are permitted to include various kinds of secured or unsecured debt. Although unsecured or second lien debt typically involves a higher degree of risk of capital than first lien secured debt, the factors affecting an issuer's loans, and its overall capital structure, are complex, and there are material risks that apply to first lien secured debt. Some first lien loans do not necessarily have priority over all other unsecured debt of an issuer. For example, some first lien loans permit other secured obligations (such as overdrafts, swaps or other derivatives made available by members of the syndicate to the company), or involve first liens only on specified assets of an issuer (e.g., excluding real estate). The imposition of prior liens on a Fund's collateral would adversely affect the priority of the liens and claims held by such Fund and could adversely affect the Fund's recovery on its leveraged loans. Any secured debt is secured only to the extent of its lien and only to the extent of underlying assets or incremental proceeds on already secured assets. Moreover, underlying assets are subject to credit, liquidity and interest rate risk. Although the amount and characteristics of the underlying assets selected as collateral can allow a Fund to withstand certain

assumed deficiencies in payments occasioned by the borrower's default, if any deficiencies exceed such assumed levels or if underlying assets are sold it is possible that the proceeds of such sale or disposition will not be equal to the amount of principal and interest owing to the Fund with respect to its investment.

Senior secured credit facilities are generally syndicated to a number of different financial market participants. The documentation governing the facilities typically requires either a majority consent or, in certain cases, unanimous approval for certain actions in respect of the credit, such as waivers, amendments, or the exercise of remedies. As a result of these voting regimes, the Funds do not always have the ability to control any decision in respect of any amendment, waiver, exercise of remedies, restructuring or reorganization of debts owed to a Fund.

The Funds' investments can be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by a Fund earlier than expected. As a consequence, a Fund's ability to achieve its investment objective can be affected.

*Subordinated Debt.* The Funds are permitted to invest in debt instruments (including CMBS) that are subordinated or otherwise junior in an issuer's capital structure. Investments in subordinate debt securities can be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which can be secured and/ or subject a Fund to a "fast loss" subordinate holder position relative to other lenders. The ability of a Fund to influence a real estate-based company's affairs, especially during periods of financial distress or following insolvency, is likely to be substantially less than that of senior creditors. For example, under terms of subordination agreements, senior creditors will typically be able to block the acceleration of the mezzanine debt or other exercises by a Fund of its rights as a creditor. Accordingly, it is possible a Fund will not be able to take the steps necessary to protect its investments in a timely manner or at all. Further, the ability of a borrower to make payments on the loan underlying these securities is dependent primarily upon the successful operation of the property rather than upon the existence of independent income or assets of the borrower. In the event of default and the exhaustion of any equity support, reserve fund, letter of credit and any classes of securities junior to those in which a Fund invests, it will not be able to recover all of its investment in the securities purchased. Investments in subordinate securities have a higher risk of loss and credit default than investments in more senior securities and subordinated tranches absorb losses from default before other more senior tranches are put at risk.

Mezzanine debt securities are also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws, (ii) so-called lender liability claims by the issuer of the obligations and (iii) environmental liabilities that can arise with respect to collateral securing the obligations. The securities the Funds invests in can be subject to early redemption features, refinancing options, pre-payment options, or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by a Fund earlier than expected, resulting in a lower return to a Fund than projected. In addition, depending on

fluctuations of the equity markets and other factors, warrants and other equity securities have the potential to become worthless.

*Mezzanine Investments.* The mezzanine investments in which certain Funds are permitted to invest can include loans secured by one or more direct or indirect ownership interests in a company, partnership, or other entity owning, operating or controlling, directly or through subsidiaries or affiliates one or more commercial properties. It is expected that the commercial properties owned by such entities are or will be subject to existing mortgage loans and other indebtedness. Repayment of the loans underlying the mezzanine investments is dependent on the successful operation of the underlying commercial properties. Mezzanine investments are not secured by interests in the underlying commercial properties. The ownership interests securing the mezzanine investments can represent only partial interests in the related real estate company and not control either the related real estate company or the underlying commercial property. As a result, the effective realization on the collateral securing a mezzanine investment in the event of default can be limited. Mezzanine investments can also involve certain additional considerations and risks. For example, the terms of mezzanine investments have the potential to restrict transfer of the interests securing such loans (including an involuntary transfer upon foreclosure) or require the consent of the senior lender or other members or partners of or equity holders in the related real estate company, or otherwise prohibit a change of control of the related real estate company. These and other limitations on realization on the collateral securing a mezzanine investment or the practical limitations on the availability and effectiveness of such a remedy has the potential to affect the likelihood of repayment in the event of a default.

*Commercial Mortgage-Backed Securities.* Certain Funds invest in pools or tranches of commercial mortgage-backed securities (“CMBS”). The collateral underlying CMBS generally consists of commercial mortgages or real property that have a multifamily or commercial use, such as retail space, office buildings, warehouse property and hotels. CMBS have been issued in a variety of issuances, with varying structures including senior and subordinated classes. The commercial mortgages underlying CMBS generally have shorter maturities than residential mortgages, allow a substantial portion of the loan balance to be paid at maturity and are usually non-recourse against the commercial borrower. Investments in CMBS are subject to various risks and uncertainties, including credit market interest rate, structural and legal risks. These risks can be magnified by volatility in the credit and commercial real estate markets. The investment characteristics of CMBS differ from traditional debt securities in a number of respects, and are similar to the characteristics of structured credit products in which investors participate through a structured vehicle or other similar conduit arrangement (e.g., CLO).

*Collateralized Loan Obligations.* Certain Funds are permitted to make investments (including “equity” or residual tranches) in Collateralized Loan Obligations (“CLO”) products and other securitizations, which are generally limited recourse obligations of the issuer (“Securitization Vehicles”) payable solely from the underlying assets (“Securitization Assets”) of the issuer or proceeds thereof. Consequently, holders of equity or other securities issued by Securitization Vehicles (“Collateralized Securities”) must rely solely on distributions on the Securitization Assets or proceeds thereof for payment in respect

thereof. The Securitization Assets can include, without limitation, broadly-syndicated leverage loans, middle market bank loans, collateralized debt obligation debt tranches, trust preferred securities, insurance surplus notes, asset-backed securities, mortgages, REITs, high-yield bonds, mezzanine debt second-lien leverage loans, credit default swaps and emerging market debt and corporate bonds, which are subject to liquidity, market value, credit interest rate, reinvestment and certain other risks. Securitization Assets are typically actively managed by an investment manager, and as a result the Securitization Assets will be traded, subject to rating agency and other constraints, by such investment manager. The aggregate return on the CLO equity securities will depend in part upon the ability of each investment manager to actively manage the related portfolio of Securitization Assets.

Certain Fund's investment strategy with respect to certain types of investments are based, in part, upon the premise that certain investments (either held directly or through a CLO) that are otherwise performing will from time to time be available for purchase by such Fund at "undervalued" prices. Purchasing interests at what can appear to be "undervalued" or "discounted" levels is no guarantee that these investments will generate attractive risk-adjusted returns to a Fund or will not be subject to further reductions in value. No assurance can be given that investments can be acquired at favorable prices or that the market for such interests will continue to improve since this depends, in part, upon events and factors outside the control of the Advisers.

*General Risks Related to Infrastructure Investments.* Certain Funds focus on investments in infrastructure companies and assets. Investments will be subject to the risks incidental to the ownership and operation of infrastructure assets, including risks associated with the general economic climate, geographic or market concentration, climatic risks, technical failings, the financial condition of third-party sub-contractors, technical failings, government regulations, and the ability of a Fund to manage the investment, national and international political circumstances and fluctuations in interest rates, rates of inflation or commodities' prices. Since investments in infrastructure and similar assets, like many other types of long-term investments, have historically experienced fluctuations and cycles in value, specific market conditions may result in temporary or permanent reductions in the value of an investment. In addition, general economic conditions in relevant jurisdictions, as well as conditions of domestic and international financial markets, may adversely affect operations of the Funds. In particular, because of the long time-lag between the approval of a project and its actual funding, a well-conceived project may, as a result of changes in investor sentiment, the financial markets, economic, or other conditions prior to its completion, become an economically unattractive investment. There can be no assurance that the infrastructure investments will be profitable or generate cash flow sufficient to service their debt or provide a return on or recovery of amounts invested therein.

*Emerging Market Investments.* Subject to the limitations set out in the Governing Documents, certain Funds are permitted to make limited investments in emerging markets. Certain emerging markets investments involve risks and special considerations not typically associated with developed markets. Such risks include: (i) the risk of nationalization or expropriation of assets or confiscatory taxation; (ii) social, economic and political uncertainty, including war and revolution; (iii) dependence on exports

and the corresponding importance of international trade, (iv) differences between developed and emerging markets, including price fluctuations, market volatility, less liquidity and smaller capitalization of securities markets, (v) currency exchange rate fluctuations; (vi) rates of inflation; (vii) controls on, and changes in controls on, emerging market investments and limitations on repatriation of invested capital and on a Fund's ability to exchange local currencies for U.S. Dollars; (viii) governmental involvement in and control over the economies; (ix) governmental decisions to discontinue support of economic reform programs generally and impose centrally planned economies; (x) differences in auditing and financial reporting standards that may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions; (xiii) less developed corporate laws regarding fiduciary duties and the protection of Fund limited partners; (xiv) less reliable judicial systems to enforce contracts and applicable law; (xv) certain considerations regarding the maintenance of a Fund's portfolio securities and cash with sub-custodians and securities depositories located in such emerging markets; (xvi) the possible imposition of local taxes on income and gains recognized with respect to investments; (xvii) additional administrative burdens as a result of local legal requirements; and (xviii) crime, corruption, terrorism, political unrest and war. The Funds may be adversely affected by the foregoing events, or by future adverse developments in global or regional economic conditions or in the financial or credit markets.

*Alternative Infrastructure Assets.* The Funds are permitted to invest in investments that construct or maintain and operate infrastructure assets in a highly competitive environment. Once infrastructure assets become operational, they may face competition from other infrastructure assets in the vicinity of the assets they operate, the presence of which depends in part on government plans and policies. Such competition may materially and adversely affect a Fund's business, financial condition and results of operations.

*Infrastructure Operations.* The long-term profitability of infrastructure investments is dependent upon the efficient operation, maintenance and high availability of such investments. Inefficient operations, maintenance and low availability may reduce returns. Operations are also subject to the risk of equipment failure to wear and tear, latent defect, design error, operator error, or early obsolescence, among other things, which could have a material adverse effect, liabilities, business, financial condition, results of operations and cash flow of investments.

*Risks of Less Established Companies.* Certain Funds are permitted to invest in smaller, less established or start-up enterprises, assets or projects. Investments in such entities involve greater risks than are generally associated with investments in more established entities. To the extent there is any public market for the securities or instruments held by a Fund with respect to such enterprises, such securities or instruments may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies or enterprises tend to have lower capitalizations and fewer resources, and therefore, often are more vulnerable to financial failure. Such companies or enterprises also may have shorter or no operating histories on which to judge future performance and, if operating, may have negative cash flow. There can be no assurance that any such

losses will be offset by gains (if any) realized on a Fund's other assets. The Funds are permitted to invest in investments that: (i) have little or no operating history; (ii) have a checkered financial history; (iii) offer services or products that are not yet ready to be marketed; (iv) operate at a loss or have significant fluctuations in operating results, (v) engage in rapidly changing business environments; or (vi) need substantial additional capital to set up internal infrastructure, hire management and personnel, support expansion or achieve or maintain a competitive position. Such investments generally have a greater variability of returns, and a higher risk of failure, than more established companies. Such investments also may face intense competition, including competition from companies with greater financial resources; more extensive development, manufacturing, marketing and service capabilities; and a larger number of qualified managerial and technical personnel.

*Renewable Power Risk.* Renewable power companies are dependent upon factors such as available water flows, wind conditions, weather conditions and technology that may significantly impact the performance of such companies and assets. Weather conditions generally have natural variations from season to season and from year to year and may also change permanently because of climate change or other factors. These risks may be exacerbated where assets are not winterized or otherwise built with technologies that enable the asset to withstand extreme weather condition.

*Clean Energy Industry Risk.* The clean energy industry can be significantly affected by product cycles, variable prices and profits, obsolescence of existing technology, competition from new market entrants and general economic conditions. Further, the clean energy industry can be significantly affected by intense competition and legislation resulting in more strict government regulations. The clean energy industry can be significantly affected by fluctuations in energy prices and supply and demand of alternative energy fuels, energy conservation, the success of exploration projects and tax and other government regulations. The industry also can be significantly affected by the supply of and demand for specific products or services, the supply of and demand for oil and gas, the price of oil and gas, production spending, government regulation, world events and economic conditions. Changes in U.S., European and other governments' policies towards alternative power and power technology also can have an adverse effect on a Fund's performance. The price of crude oil, natural gas, electricity produced from traditional hydro power and that generated from nuclear power and possibly other as yet undiscovered energy sources could potentially have a negative impact on the competitiveness of renewable energies.

*Clean Energy Infrastructure Risk Factors – Wind Farms.* Wind power production estimates are based on past wind measurements. Historical wind speeds may not be representative of future wind speeds. As wind farms may be a more expensive means of electricity production than fossil fuel-based production methods, wind farms may depend on supportive legal and regulatory environments to remain competitive with these conventional methods. Similarly, returns from wind farm assets may be affected by changes in the basis of charging for electricity or the basis on which a Fund's assets are charged for connection to the electricity distribution system in any markets in which the Fund operates. Systemic faults in technology employed by wind farms in which the Funds invest may also negatively impact on returns to a Fund from those assets.

*Clean Energy Infrastructure Risk Factors – Small Hydro.* The effectiveness of hydroelectric power generation depends on the consistent flow and velocity of water running through turbines. Accordingly, the primary risk to returns from small hydro installations is a decrease in the amount of electricity produced because of a decrease in water velocity. This decrease in velocity could result from, amongst other things, sedimentation or corrosion of the turbines.

*Clean Energy Infrastructure Risk Factors – Solar.* Similar to wind farms, solar power production estimates are based on historical measurements, and may not be representative of future solar power capacity as it could be affected by environmental conditions, including cloud cover and pollution. In the same way as wind farms, using solar power may be a more expensive means of electricity production than fossil fuel-based production methods, and solar power projects may depend on supportive legal and regulatory environments to remain competitive with these conventional methods. Systemic faults in solar power technology may also negatively impact on returns to a Fund from its solar energy generation assets. Specific risks arising from solar power technology assets include problems with investors, security and availability of the panels.

*Clean Energy Infrastructure Risk Factors – Bioenergy.* A key risk to returns from bioenergy plants are the availability of suitable plant-based fuel and increases in the cost of such fuels. If suitable fuels become scarce, or for other reasons become more expensive to acquire, a Fund's returns from bioenergy plants may be adversely affected. Bioenergy may be a more expensive means of electricity production than conventional fossil-based power and, as such, may depend on supportive legal and regulatory environments, so any adverse changes in legislation where the Funds' bioenergy assets are situated may reduce a Fund's returns from these assets.

*Clean Energy Infrastructure Risk Factors – Geothermal.* There are limited places where geothermal power stations can be built due to the requirement for suitable geological conditions at suitable drilling depths. This limitation may require significant exploration, which can be costly and time consuming and may not ultimately be successful, thereby adversely affecting returns to a Funds. The level of geothermal energy at an operational site can be variable, and this may adversely impact returns to the Funds. As use of geothermal energy sources is currently a more expensive means of electricity production than fossil fuel-based production methods, geothermal energy depends on supportive legal and regulatory environments to remain competitive with these conventional methods.

*Clean Energy Infrastructure Risk Factors – Tidal and Wave Energy Generation.* Wave and tidal power production estimates are also based on past measurements. Historical measurements may not be representative of future tidal or wave power. Returns from wave and tidal energy generation assets may be affected by changes to the basis of charging for electricity or to the basis on which the Funds' assets are charged for connection to the electricity distribution system in any markets in which the Funds operate. Systemic faults in wave or tidal turbine technology may also negatively impact on returns to the Funds from its wave energy generation assets.

*Utility and Energy Risks.* Given that the Funds seek to make investments that support sustainable solutions and the shift towards a low-carbon economy, the Funds will indirectly be subject to the risks

associated with the utility and energy sectors. Risks that are intrinsic to the utility and energy sectors include difficulty in financing large construction programs, technological innovations that may render existing plants, equipment or products obsolete, the potential impact of natural or man-made disasters, exposure to health, safety and security risks, increased costs and reduced availability of certain types of fuel, difficulty in obtaining an adequate return on invested capital, restrictions on operations and increased cost, the effects of energy conservation, the effects of a national energy policy and delays attributable to environmental considerations and regulation. There are substantial differences among the regulatory practices and policies of various jurisdictions and any given regulatory agency may make shifts in policy from time to time. There is no assurance that regulatory authorities will, in the future, grant rate increases or that such increases will be adequate to permit the payment of dividends on common stocks issued by a utility or energy company. In addition, governmental authorities may from time to time review existing policies and impose additional requirements governing the licensing, construction and operation of power plants. Prolonged changes in climatic conditions can also have a significant impact on both the revenues of an electric and gas utility as well as the expenses of a utility. Changes in environmental conditions could materially adversely affect the volume of electricity generated at electric generating stations, which could materially impact revenue and cash flow.

*Retrofits, Decarbonization of the Built Environment and Energy-as-a-Service Risk Factors.* The Funds may seek to invest in companies that provide retrofits and/or upgrades to the built environment for commercial, industrial, municipal buildings, and/or universities, schools, hospitals, and other buildings, including to support decarbonization, which may be delivered through energy-as-a-service agreements or similar medium to long-term contracts. Such agreements may include guarantees of energy efficiency improvements and equipment performance creating potential contingent liabilities in the event the upgrades to building equipment, systems and monitoring do not result in energy savings as estimated or guaranteed. Often, retrofits, decarbonization and energy-as-a-service projects have a single or a small number of counterparties and there is no assurance of continued financial stability of such counterparties and financial security, if any, may not be sufficient to cover losses from a counterparty's breach of contract. There are additional risks relating to energy-as-a-service projects, including the occurrence of events beyond the control of the counterparty that may excuse it from its obligation to accept and pay for delivery of energy generated by a company or project. The failure of a counterparty to fulfill its obligations under any agreement or the termination of any agreement can have a material adverse effect on a portfolio investment or project.

*District Energy Risk Factors.* The Funds may seek to invest in regulated or unregulated district energy systems which supply heating, cooling and energy to commercial, industrial, municipal buildings, and/or universities, schools and hospitals. Such systems may have variable levels of demand depending on the connected buildings and the portfolio investments may face material financial loss in the event the cost of generation or supply of heating, cooling and energy is not able to be fully passed on to connected end-users. District energy systems are often subject to counterparty risk for the supply of heating cooling and energy and there is no assurance of continued financial stability of such counterparties, and financial security may not be sufficient to cover losses from a counterparty's breach of contract. District energy systems may also require maintenance, recommissioning or



replacing some or all of the system(s) and the associated financial and operational expenditure may have a material adverse effect on a portfolio investment or project. District energy systems may also be exposed to direct or indirect impacts resulting from regulatory changes aimed at decarbonizing energy systems or delivering governments' climate change commitments and net zero targets in certain jurisdictions, which may result in higher prices and increased costs. Regulation in some jurisdictions may also introduce licensing and regulatory oversight of certain aspects of and services relating to district energy systems, fixing of prices, the fixing of maximum or average prices or the setting of price policies or principles. This may impact profitability of these investments and increase legal and regulatory risk and compliance costs, which could adversely affect the returns of the Funds.

*Battery Storage Energy Risk Factors.* The Funds may seek to invest in portfolio investments which focus on battery energy storage projects that form part of an overall energy solution (*e.g.*, alongside wind or solar) or provide storage and resiliency solutions on a standalone basis. Such portfolio investments may be exposed to market risks, including regulatory changes, general changes and volatility in the energy markets and pricing changes as well as technical competition with alternative or emerging technology. Capacity, resiliency and energy use payments under medium or long term may expose projects to counterparty risks where there is no assurance of continued financial stability, and financial security may not be sufficient to cover losses from a counterparty's breach of contract. Revenue generated from market driven dispatch of electricity during peak periods of demand is volatile and such peak periods of demand are expected to become more difficult to predict as grid infrastructure becomes more dynamic and additional battery energy storage systems becomes available. To the extent battery projects are significantly exposed to market price risk changes and dispatch of energy at peak periods of demand is not achieved, such projects' profitability may be adversely impacted. Battery storage projects may also be exposed to operational risks associated with the storage and use of battery terminals, which can result in fire hazards, releases of flammable or toxic gasses and explosions. This may result in serious health and safety risks, incidents or fatalities, creating legal and/or regulatory risks and impacting the value of or costs associated with operating such portfolio investments.

*Greenfield Investments and Construction Risk.* Like any other business, the viability of an infrastructure asset is reliant on the revenue, costs and profitability of that asset. Variability in any of these factors will affect the value of an investment. These risks are particularly acute for greenfield investments that lack established revenue and profitability track records. Infrastructure assets can often experience gradually increasing or fluctuating patronage in the early years of operation, and there is also a risk that the demand for use of the asset may be less than originally projected. Further, investments in greenfield infrastructure assets may result in exposure to the risk that construction will not be completed on time, within budget or to specifications. Similar risks may also apply to operational assets in relation to any development works conducted. The revenue and cost implications of this risk may adversely impact the value of an investment. Although the Advisers may be able to negotiate with construction contractors in order to reduce these risks, even successful negotiations with such contractors will not eliminate these risks, which may still exist *inter alia* in the following circumstances: (i) construction contractors may not be able to complete construction on time or within budget; (ii)

although the Advisers may have negotiated a liquidated damages clause, this provision may not be enforceable if a Fund has contributed to the delay; (iii) there may be situations where the expected completion date for projects is extended under the contract, and the construction contractor will not be liable for liquidated damages until the extended completion date has lapsed; (iv) a Fund may not be able to recover the full amount of its losses under the liquidated damages clause, particularly if there is a cap on the liquidated damages clause or if the construction contractor subsequently becomes insolvent; (v) and a Fund may be liable for site defects or contamination at the site once the construction contractor has completed its works; and (vi) delays due to the need for large magnitude and variety of statutory approvals, consents, permits, concessions, leases and licenses related to political, environmental and social issues, financial commitments, signing of project agreements and contracts in connection with the development, construction and operation of infrastructure projects.

*Health, Safety and Environment (“HSE”) Risks.* The development, construction and operation of infrastructure projects and investments will be subject to statutes, rules and regulations relating to health, safety and environmental protection, as well as local labor market laws and practices. Complying with HSE matters and labor market laws is a core focus for certain Funds and thorough rules and procedures are implemented in the project organizations and in the organization of certain Advisers. However, such HSE initiatives and protective measures might add additional cost, cause delays and/or reduce the commercial life of an asset, and thereby impact the borrower’s ability to repay loans to the Funds under the relevant credit agreement.

*European Energy Crisis.* Europe is currently experiencing a significant energy crisis. A number of factors have contributed to the energy crisis, including supply shortages due to cyclic pressures, slow supply recovery after the COVID-19 pandemic, the Russian invasion of Ukraine and increasing inflation. The crisis has been further exacerbated by Russia’s decision to cut off a significant portion of the natural gas supplies that Europe has historically depended on, leading to increasing electricity prices, social unrest and, potentially, energy shortfalls. While countries in Europe are actively working to find alternative energy sources, including by way of liquefied natural gas imports, there can be no assurances that the current energy crisis will be resolved in the near future. A drawn-out energy crisis would have a significant negative impact on the European economies and could potentially lead to a deep recession with global implications. A continuation of the ongoing crisis, and any exacerbation of the same, could have a significant adverse effect on the Funds and the performance of their investments or operations, and the ability of the Funds to achieve their investment objectives.

*Credit Ratings.* Credit ratings of debt securities which are permitted to constitute a portion of certain Funds’ investments, components of a Fund’s investments of which such Fund acquires an equity interest, represent the rating agencies’ opinions regarding their credit quality and are not a guarantee of quality. Rating agencies’ attempts to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value, therefore, they cannot always fully reflect the true risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an issuer’s current financial condition can be better or worse

than a rating indicates. Consequently, it is possible that credit ratings will be used by a Fund as preliminary indicators of investment quality but ultimately prove to be inaccurate or unreliable.

*Investment in Canadian Real Estate.* It is expected that a significant percentage of certain Funds' properties will be located in Canada and, as a result, such Funds' performance will be impacted by economic and other factors specifically affecting the real estate markets in Canada. These factors can differ from those affecting the real estate markets in other regions. Due to the concentrated nature of each Fund's properties, a number of the properties could experience the same conditions at the same time. If real estate conditions in Canada decline relative to real estate conditions in other regions, a Fund's cash flows, operating results and financial condition are likely to be more adversely affected than those of issuers that have more geographically diversified portfolios of properties.

*Investment in U.S. Real Estate.* Certain Funds generally intend to invest a portion of its assets in the U.S. Any downturn in the U.S. economy in general or in one or more regions in particular, or in the businesses and industries which likely would occupy the Funds' properties, could have an adverse effect on the financial condition, results of operations and cash flow of such Funds.

*Foreign Investments.* Certain Funds are expected to make investments primarily in European jurisdictions which use Euros as their primary currency. With any investment in a country, there exist certain economic, political and social risks, including the risk of adverse political developments, nationalization, confiscation without fair compensation, or war.

*Absence of Operating History in New Markets.* The Funds are permitted to invest in properties located in markets in which SLAM has no prior operating experience. Accordingly, the Funds will be competing for assets with entities that have greater experience and knowledge of such markets and generally have better relationships with sellers, brokers, lenders or others in such markets. Investments in new markets typically require more management time, staff support and expense in order to develop and maintain market knowledge and relationships across a number of markets.

*Environmental, Social and Governance Matters.* SLAM maintains an ESG Policy which it intends to apply, as applicable, to the Funds' investment portfolios, consistent with and subject to its fiduciary duty and other duties, and any applicable legal, regulatory or contractual requirements. Depending on the investment, ESG factors could have a material effect on the return and risk profile of the portfolio investment. The act of selecting and evaluating material ESG factors is subjective by nature and the Advisers may be subject to competing demands from different Fund limited partners and other stakeholder groups with divergent views on ESG matters, including the role of ESG factors in the investment process, and there is no guarantee that the criteria utilized, or judgment exercised by the Advisers or a third-party ESG advisor, will reflect the beliefs or values, internal policies or preferred practices of any Fund limited partner or other asset managers or reflect market trends. Considering ESG factors when evaluating an investment in certain circumstances may, to the extent material risks associated with an investment are identified, cause a Fund not to make an investment that it would have made or to make a management decision with respect to an investment differently than it would have made in the absence of such considerations, which carries the risk that a Fund may perform

differently than funds that do not take ESG factors into account. Additionally, ESG factors are only some of the many factors that the Advisers expect to consider in making an investment. Although the Advisers view the consideration of ESG to be an opportunity to potentially enhance or protect the performance of their investments over the long term, the Advisers cannot guarantee that its ESG program, which depends in part on qualitative judgments, will positively impact the performance of any individual investment or a Fund as a whole. Similarly, to the extent the Advisers or a third-party ESG advisor engages with portfolio investments on ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the performance of the investment. Successful engagement efforts on the part of the Advisers or a third-party ESG advisor will depend on the Advisers' or any relevant third-party advisor's ability to engage with the relevant investment and skill in properly identifying and analyzing material ESG and other factors and their value, and there can be no assurance that the strategy or techniques employed will be successful.

The materiality of ESG factors on an individual asset or issuer and on a portfolio as a whole depends on many factors, including the relevant industry, location, asset class and investment strategy. ESG factors, issues, and considerations do not apply in every instance or with respect to each investment held, or proposed to be made, by the Funds, and will vary greatly based on numerous criteria, including location, industry, investment strategy, and issuer-specific and investment-specific characteristics. In evaluating a prospective investment, the Advisers often depend upon information and data provided by the entity or obtained via third-party reporting or advisors, which may be incomplete or inaccurate and could cause the Advisers to incorrectly identify, prioritize, assess or analyze the entity's ESG practices and/or related risks and opportunities. The Advisers do not intend to independently verify certain of the ESG information reported by investments of the Funds, and may decide in their discretion not to utilize, report on, or consider certain information provided by such investments. Any ESG reporting will be provided in the Advisers' sole discretion.

In addition, SLAM's ESG Policy and associated procedures and practices are expected to change over time. The Advisers, in certain circumstances, are permitted to determine in their discretion that it is not feasible or practical to implement or complete certain of their ESG initiatives based on cost, timing or other considerations. It is also possible that market dynamics or other factors will make it impractical, inadvisable or impossible for the Advisers to adhere to all elements of the Funds' investment strategy, including with respect to ESG risk and opportunity management, whether with respect to one or more individual investments or to a Fund's portfolio generally. ESG-related statements, initiatives and goals with respect to each Fund's investment strategy, portfolio, and investments are aspirational and not guarantees or promises that all or any such initiatives and goals will be achieved other than as set out in any applicable regulatory disclosures.

Further, ESG integration and responsible investing practices as a whole are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by asset managers, and the Advisers' adoption and adherence to various such principles, frameworks, methodologies and tools may vary over time. For example, the ESG Policy does not represent a universally recognized standard for assessing ESG considerations. These initiatives, or any other

future ESG-related initiatives to which an Adviser becomes a signatory, member, or supporter, may not align with the approach used by other asset managers (or preferred by prospective investors) or with future market trends. There is no guarantee that the Advisers will remain a signatory, supporter or member of these initiatives or other similar industry frameworks. *Weather and Climate Risk.* Global climate change is widely considered to be a significant threat to the global economy. Infrastructure assets in particular may face risks associated with climate change, including risks related to the impact of climate-related legislation and regulation (both domestically and internationally), risks related to climate-related business trends, and risks stemming from the physical impacts of climate change, such as the increasing frequency or severity of extreme weather events and rising sea levels and temperatures. Additionally, the Paris Agreement and other regulatory and voluntary initiatives launched by international, federal, state, and regional policymakers and regulatory authorities as well as private actors seeking to reduce greenhouse gas (“GHG”) emissions may expose infrastructure assets to so-called “transition risks” in addition to physical risks, such as: (i) political and policy risks (*e.g.*, changing regulatory incentives and legal requirements, including with respect to GHG emissions, that could result in increased costs or changes in business operations), (ii) regulatory and litigation risks (*e.g.*, changing legal requirements that could result in increased permitting, tax and compliance costs, changes in business operations, or the discontinuance of certain operations, and litigation seeking monetary or injunctive relief related to impacts related to climate change), (iii) technology and market risks (*e.g.*, declining market for assets, products and services seen as GHG intensive or less effective than alternatives in reducing GHG emissions) and (iv) reputational risks (*e.g.*, risks tied to changing investor, customer or community perceptions of an asset’s relative contribution to GHG emissions). The Advisers cannot rule out the possibility that climate risks, including changes in weather and climate patterns, could result in unanticipated delays or expenses and, under certain circumstances, could prevent completion of investment activities or the effective management of infrastructure assets once undertaken, any of which could have a material adverse effect on an investment, or a Fund.

*Current Economic Environment.* Continued concerns about the uncertainty over whether the economy will be adversely affected by inflation, deflation or stagflation, and the systemic impact of increased unemployment, volatile energy costs, geopolitical issues, the availability and cost of credit, the mortgage market and a distressed commercial real estate market have contributed to increased market volatility and weakened business and consumer confidence. This difficult operating environment could adversely affect the Funds’ ability to generate revenues, thereby reducing their operating income and earnings. It could also have an adverse impact on the ability of the Funds’ tenants and operators to maintain occupancy rates in the Funds’ properties, which could harm the Funds’ financial condition. If these economic conditions continue, there can be no guarantee that each Fund’s tenants and operators will be able to meet their rental payments and other obligations due to each Fund(s), which would have a material adverse effect on such Fund(s).

*Political and Social Risks.* The political environments in many countries, including in the United States in which the Funds plan to invest, those constituting the European Union and in others around the world (including the ongoing armed conflict between Russia and the Ukraine), continue to evolve and

over the last couple of years seem to be experiencing more and faster change than has been experienced since World War II. Investment themes, economic analysis and assumptions, asset valuation and underwriting for many institutional investors and asset classes tend to be premised on and include data and assumptions which are largely historical and backward looking. Because of this, fundamental changes in international relations, treaties and alliances, trade, tariffs, taxes, governmental reviews and discretion (*e.g.*, by the U.S. Committee on Foreign Investment in the United States) individually or in the aggregate can have a material effect on the opportunities, asset values, ability to finance assets, ability to dispose of assets and overall performance of the Funds and individual limited partners' investment performance. It is not possible to predict the severity of the effect that such future events would have on North American and global financial markets or the Funds' investments. All of these factors are outside of the Advisers' control but can nonetheless cause an Adviser to adjust its strategy in order to compete effectively in global markets. These events can have a negative effect on the business and performance results of one or more of a Fund's investments or subsequently acquired investments, including increased insurance premiums and deductibles and limiting available insurance coverage for a Fund's investments. Furthermore, such uncertainty can have an adverse effect upon the value of the investments made by the Funds.

*Geopolitical Risks and Force Majeure.* An unstable geopolitical climate and continued threats of terrorism could have a material adverse effect on general economic conditions, market conditions and market liquidity. U.S. military actions around the globe; the threat or occurrence of terrorist attacks in the future; rising oil, energy and other commodity or material prices (including those resulting from the unavailability thereof); and military, economic and political responses to terrorism all can have material consequences on the global economies. SLAM is not able to predict the extent, severity or duration of the effect of any past or future terrorist attacks and related events or quantify the impact that these events can have on investment objectives or the markets where an underlying Fund investment will be located. Additionally, a serious pandemic or a natural disaster could severely disrupt the global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer confidence has the potential to increase the risk of default of particular portfolio investments, negatively impact market value, increase market volatility and cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on a Fund's returns and ability to make new investments. No assurance can be given as to the effect of these events on the value of or markets for portfolio investments.

Additionally, the Funds or portfolio investments can be affected by force majeure events such as events beyond the control of the party claiming that the event has occurred including, without limitation, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes. Some force majeure events may adversely affect the ability of a party, including a Fund, portfolio investment or a counterparty to a Fund or a portfolio investment, to perform its obligations until it is able to remedy the force majeure event. In certain circumstances, a Fund or a portfolio investment may be a party to a contract which does not provide a remedy in favor of the Fund or such portfolio investment if a force majeure event occurs. In this event, the Fund or such portfolio investment may be required to continue to comply with its

obligations (including, but not limited to, payment or performance of its obligations) under the contract even though it may not receive some or all of the benefits to which it is entitled under such contract. Such a circumstance can cause the Fund or such portfolio investment to suffer economic loss, and such loss has the potential to be exaggerated if a force majeure event subsists for an extended period of time.

Certain force majeure events, such as war or an outbreak of an infectious disease, could have broader negative impact on the world economy and international business activity generally or in any of the countries in which a Fund has invested. A resulting negative impact on economic fundamentals and consumer confidence can increase the risk of default with respect to particular investments, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, each of which could have an adverse effect on the performance of portfolio investments, the Funds' returns and the ability of a Fund to make and/or dispose of portfolio investments. No assurance can be given as to the effect of these events on the value of, or markets for, portfolio investments, or a Fund's or a portfolio investment's ability to recover therefrom.

*Financial Institution Risk; Distress Events.* An investment in a Fund is subject to the risk that one of the Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, the Advisers, the Funds and/or their portfolio investments may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks, or the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of the Advisers to manage the Funds and their investments, and on the ability of the Advisers, any Fund and/or portfolio investments to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include a Fund to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of limited partners to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair

value of such investments and/or the inability of the Advisers and/or the portfolio investment to make payroll, fulfill obligations and maintain operations. Although SLAM expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. In addition, in the event the Advisers determine to change Financial Institutions, there is a risk that the transfer of cash or other assets, especially if done in an expedited manner, will result in a technical violation of Advisers Act Rule 206(4)-2 (the “Custody Rule”), even if performed in the Advisers’ best judgment of its efforts to fulfill its obligations and maintain operations, including its ability to close transactions, make payroll or otherwise.

Many Financial Institutions require, as a condition to using their services or otherwise, that SLAM and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with such Financial Institution or its affiliate(s) (each, a “Custodian”), which heightens the risks associated with a Distress Event with respect to such Custodians. Although the Advisers seek to do business with Custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, the Advisers are under no obligation to use a minimum number of Custodians with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

*Terrorist Attacks, Acts of Violence or War.* A Fund’s real estate investments and the areas in which they are located could be subject to acts of terrorism. In addition to the potential direct impact of any such future act, future terrorist attacks and the anticipation of any such attacks could have an adverse impact on the Canadian, U.S., European and global financial and insurance markets and economies, thus harming demand for and the value of the Funds’ investments. It is not possible to predict the severity of the effect that such future events would have on the Canadian, U.S., European and global financial and insurance markets and economy or the Funds’ investments. These events can have a negative effect on the business and performance results of one or more of the Fund’s investments or subsequently acquired investments, including increased insurance premiums and deductibles and limiting available insurance coverage for the Funds’ investments.

*Economic Disruptions Due to Public Health Emergencies.* The economic downturn resulting from the COVID-19 pandemic and government measures to contain it have the potential to materially adversely impact the Funds’ investments. Reductions in tenants’ ability to pay rent in full or at all; reductions in demand for tenant products or services; temporary or long-term suspension of development projects; temporary or long-term labor shortages or disruptions; further disruptions to local and global supply chains; increased remote work arrangements; and continued or further deterioration of worldwide credit and financial markets could result in losses on a Fund’s investments due to failures of financial institutions and other parties.

*Data and Information Security.* In the ordinary course of a Fund’s business, it and its service providers acquire and store sensitive data, including intellectual property, proprietary business information and personally identifiable information of prospective and current borrowers, guarantors, tenants,



employees and third-party service providers. The secure processing and maintenance of this information is critical to the Funds' operations and business strategy. Despite security measures, the Advisers and their affiliates' information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Additionally, the Advisers are limited in their ability to monitor security measures implemented by third parties. Any breach could compromise their networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruption to the Advisers' operations and the services provided to customers or damage their reputations, which could adversely affect a Fund's results of operations, competitive position and opportunities.

*Cybersecurity Risks.* SLAM, the Funds' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and the limited partners, despite the efforts of the Advisers and service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and the limited partners. For example, unauthorized third parties sometimes attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the General Partners, the Funds' service providers, counterparties or data within these systems. Third parties will, on occasion, also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Advisers' systems to disclose sensitive information in order to gain access to their data or that of the Funds' limited partners. A successful penetration or circumvention of the security of the Advisers' systems could result in the loss or theft of a limited partner's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds, the Advisers or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

*Nature of Investments.* An investment in a Fund requires a long-term commitment with no certainty of return. Limited partners could lose the entire amount of contributed capital, and limited partners therefore should only invest in a Fund if they can withstand a total loss of investment. The portfolio investments will not necessarily generate current income. Therefore, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete realization or disposition of such investment. While an investment can be realized or disposed of at any time, it is generally expected that the ultimate realization or disposition of most of the portfolio investments will not occur for a number of years after such investments are made. The Advisers expect to invest primarily in assets or securities that are illiquid and subject to resale restrictions. In addition, in some cases, an Adviser is prohibited or limited by contract from selling certain assets or

securities for a period of time, and as a result, it is possible that the Adviser will not be permitted to dispose of an investment at a time when it might otherwise desire to do so.

There can be no assurance that the Advisers will correctly evaluate the nature and magnitude of the various factors that could affect the value of the portfolio investments. Prices of investments can be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, can significantly affect the results of an Adviser's activities, including the risk of war and the effects of terrorist attacks. In addition, the strategy for a portfolio investment often involves an acquisition program, restructuring and/or operational improvements, all of which entail a high degree of uncertainty. As a result, a Fund's performance over a particular period will not necessarily be indicative of the results that can be expected in future periods.

*Need for Follow-On Investments.* Following an initial investment in a given property, it is possible that an Adviser will decide to provide additional funds to such investment or have the opportunity to increase an investment in such property. There is no assurance that an Adviser will make follow-on investments or that an Adviser will have sufficient funds to make all or any of such investments. If an Adviser decides not to make a follow-on investment or is unable to make such an investment, it is possible that the original investment will be negatively impacted or that the Fund will lose an opportunity to increase its participation in a successful operation.

*Warehousing of Investments for Future or for Co-Investment Opportunities.* In certain situations, a Fund is permitted to temporarily warehouse a portion of an investment opportunity in order to facilitate a future investment or a co-investment by one or more affiliated or third-party co-investors. In the case of a warehousing for a co-investment, if the relevant co-investment is not ultimately consummated, the applicable Fund can end up holding a larger portion of the investment than it otherwise expected or desired to hold. The risk of a co-investment not being consummated generally increases in the event an investment decreases in value during the warehousing period, and it is possible that a Fund will be required to bear the losses in connection with any such investment. The relevant General Partner is empowered to determine the cost of the co-investment at its sole discretion, taking into account its cost to such Fund, the cost of capital and other factors, and there can be no guarantee that the General Partner will charge the co-investors an amount that accurately reflects any appreciation in the value of the investment or appropriately compensates the Fund for the costs and risks incurred during the holding period.

*Management by General Partner and the Advisers.* All decisions with respect to operations and the management of assets will be made exclusively by the relevant General Partner and Adviser. Limited partners will have no right to participate in the management of a Fund or to make any decisions with respect to the investments. Consequently, limited partners must rely entirely on the relevant General Partner and Adviser with respect to the selection of investments and management. A Fund's success will therefore depend, in large part, upon the skill and expertise of the Advisers, the principals and other individuals employed to assist them. There can be no assurance that the Funds and the General

Partners will be able to successfully implement the strategies that the Funds intend to pursue. There is no assurance that the principals will continue to be active in the affairs of the Funds. The loss of key personnel could have a material adverse effect on the performance of the Funds.

*Lack of Transferability of Fund Interests.* Interests in the Funds are highly illiquid investments and should be acquired only by limited partners able to commit their funds for an indefinite period of time. Interests in the Funds cannot be transferred without the consent of the relevant General Partner and will be affected by restrictions on resales imposed under federal, provincial and foreign securities laws. There is currently no market for the interests in the Funds and a market for interests in the Funds is not expected to develop.

*Investments Longer than Term.* It is possible that a Fund will make investments that are not ultimately advantageously disposed of prior to the date that such Fund will be dissolved, either by expiration of the Fund's term or otherwise. Although the Advisers expect that investments will be disposed of prior to dissolution, the Advisers have only a limited ability to extend the term of each Fund and such Fund can, in such cases, be forced to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

*Contingent Liabilities on Disposition of Investments.* In connection with the disposition of an investment, a Fund will, in some cases, be required to make representations about the investment (such as environmental, property tax, insurance and litigation) typical of those made in connection with the sale of real property. Under certain circumstances, a Fund will be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate or with respect to certain potential liabilities. These arrangements can result in the incurrence of contingent liabilities for which an Adviser will potentially establish reserves or escrow accounts. In that regard, the limited partners will be required to return amounts distributed to them for the purpose of funding the applicable Fund's obligations, including indemnity obligations, subject to certain limitations set forth in the Governing Documents.

*Recall.* Under certain circumstances set forth in the Governing Documents, returns of investments distributed to the limited partners can be recalled for reinvestment by the relevant General Partner. Accordingly, it is possible that a limited partner will, in effect, be required to fund an aggregate amount in excess of its capital commitment, but at no time will a limited partner have aggregate capital at risk in excess of the sum of its unfunded capital commitment and any proceeds distributed to such limited partner in return of its funded capital commitment.

*Structural Subordination within the Same Capital Structure.* On occasion, the Funds invest into their investments indirectly through one or more levels of subsidiary entities, which can be wholly or partially owned by such Funds. Equity owners in such subsidiaries, including for example, joint venture partners, will be structurally senior to limited partners in the related Fund, and accordingly would receive equity distributions and returns to which they are entitled ahead of the Fund limited partners (*i.e.*, the funds available to Fund limited partners will be net of any equity returns to which such lower-tier equity holders are entitled).

*Co-Investment.* From time to time pursuant to the terms of the Governing Documents, an Adviser can offer, in its discretion, one or more limited partners the opportunity to co-invest in investments alongside a Fund. In addition, a Fund can enter into joint ventures or make investments in which other parties also co-invest, including entities affiliated with SLAM. In such an event, there can be no guarantee that the applicable Fund will be in a position to unilaterally control such investments or exercise certain rights associated with such investments. In addition, if a co-investing party removes its general partner or manager or terminates prior to the applicable Fund, the ability of such Fund to exercise certain rights associated with its investments will typically require the co-operation of a successor general partner/manager or other persons. Furthermore, if a Fund and co-investors have the ability to dispose of their interests in the co-investment separately, a disposition of a large position by a co-investor has the potential to depress the market value of the continuing investment of such Fund or reduce the price available to the Fund in the event the Fund is also disposing of its investment. Potential conflicts are often inherent in, or arise from, an Adviser's discretion in determining when to make such opportunities available to limited partners. In addition, once such co-investments are made, a Fund's interests and those of co-investing limited partners can subsequently diverge as market conditions shift or other opportunities become available.

*Risk of Unsuccessful Exit Strategies.* The Advisers are authorized to cause each Fund to opportunistically sell, distribute or otherwise dispose of investments at any time. It is not possible to predict whether a particular exit strategy will be advantageous or available at the appropriate time. It is possible that a Fund will be forced to liquidate its assets on terms less favorable than anticipated and the proceeds from these investments and the remaining investments can be materially and adversely affected.

*Difficulty in Valuing Investment Portfolio.* The Advisers value properties at their fair market values in accordance with the Governing Documents. There will likely be no public market for most of the portfolio investments. Thus, the valuation of portfolio investments will be inherently highly subjective and imprecise and require the use of techniques that are costly and time consuming and ultimately provide no more than an estimate of value. There can be no guarantee that such valuation will reflect the price at which an Adviser could dispose of a Fund's interests in a particular portfolio investment at any given time.

In addition, the Advisers regularly report to Fund limited partners, prospective limited partners and the investor community more generally, metrics of each Fund's performance, such as rates of return and multiples-of-money, whose calculation depends on the value of the Funds' investments, including unrealized investments.

*Failure to Make Capital Contributions.* A failure by a limited partner to fund a commitment or make required capital contributions when due has the potential to result in an Adviser's inability to complete a Fund's investment program or otherwise impair operations. A default by a substantial number of limited partners would limit opportunities for investment diversification and likely reduce a Fund's returns.

*Conflicting Limited Partner Interests.* Limited partners often have conflicting investment, tax and other interests with respect to their investments in a Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts can arise in connection with decisions regarding an investment that will, in some cases, be more beneficial to one limited partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the Advisers will consider their investment and tax objectives and a Fund's limited partners as a whole, not the investment, tax, or other objectives of any limited partner individually.

*Effect of Expenses on Returns.* Each Fund will pay the Management Fee and will bear all expenses related to its operations. The Management Fee will be made regardless of whether a Fund produces positive returns. If a Fund does not produce significant positive investment returns, the Management Fee could reduce the amount of the investment a limited partner would recover to an amount less than the amount invested in the applicable Fund.

*Risks Inherent in the Real Estate Industry.* Real estate ownership is generally subject to numerous factors and risks, including changes in general economic conditions (such as the availability, terms and cost of mortgage financings and other types of credit), local economic conditions (such as an oversupply of office and other commercial properties or a reduction in demand for real estate in the area), the attractiveness of properties to potential tenants or purchasers, competition with other landlords with similar available space, and the ability of the owner to provide adequate maintenance at competitive costs.

A Fund's properties typically generate income through rent payments made by tenants. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. Furthermore, there can be no guarantee that the terms of any subsequent lease will be less favorable than the existing lease. A Fund's cash flows and financial position would be adversely affected if tenants of such Fund's properties were to become unable to meet their obligations under their leases or if a significant amount of available space in the Fund's properties was not able to be leased on economically favorable lease terms. In the event of default by a tenant, it is possible a Fund will experience delays or limitations in enforcing its rights and incur substantial costs in protecting such Fund's investment. Furthermore, at any time, there is a possibility that a tenant will seek the protection of bankruptcy, insolvency or similar laws which could result in the rejection and termination of the lease of the tenant and, thereby, cause a reduction in the cash flows available to a Fund.

An investment in real estate is relatively illiquid. Such illiquidity will tend to limit the Funds' ability to vary their portfolio promptly in response to changing economic or investment conditions. In recessionary times it can be difficult to dispose of certain types of real estate. The costs of holding real estate is considerable and during an economic recession a Fund can be faced with ongoing expenditures with a declining prospect of incoming receipts. Therefore, a Fund will, in some circumstances, determine it is necessary to dispose of properties at lower prices in order to generate sufficient cash for operations and make distributions and interest payments.

*Certain Real Estate Assets of the Funds are Subject to the Credit Risk of Tenants.* Certain Funds intend to invest in properties in which tenant leases will generate a significant portion of the Fund's revenue. As a result, the Fund is subject to the credit risk of its tenants. In particular, local economic conditions and general macroeconomic factors affecting the industries in which the Fund's tenants operate may affect the tenants' ability to make lease payments. In the event that the Fund's tenants default on their leases and fail to make rental payments when due, there could be a significant decrease in the Fund's revenues. This loss of revenues could adversely affect the Fund's profitability and its ability to meet its financial obligations. In addition, the Fund may be unable to locate replacement tenants in a timely manner or on comparable or better terms if tenants default on their leases.

*Lease Renewals, Rental Increases, Lease Termination Rights and Other Lease Matters.* Expiries of leases for a Fund's properties, including those of significant tenants, will occur from time to time over the short and long-term. No assurance can be provided that a Fund will be able to renew any or all of such leases upon their expiration or that rental rate increases will occur or be achieved upon any such renewals. The failure to renew leases or achieve rental rate increases will adversely impact such Fund's financial condition and results of operations and decrease the amount of cash available for distribution.

Although certain, but not all, leases contain a provision requiring tenants to maintain continuous occupancy of leased premises, there can be no assurance that such tenants will continue to occupy such premises. Any cessation of occupancy by tenants will often have an adverse effect on the applicable Fund and could adversely impact such Fund's financial condition and results of operations and decrease the amount of cash available for distribution. In addition, certain leases contain a provision which gives tenants the right to terminate their leases upon payment of a penalty.

*Secondary Market Investments in Other Funds.* Certain Funds are permitted to invest in existing real estate funds or investment vehicles through secondary market acquisitions (collectively, "Secondary Market Investments"), which often include interests in various types of real estate entities, such as pooled multiple-investment real estate funds or investment vehicles, limited partnerships and joint ventures (collectively, "Underlying Investment Funds"). The ability of a Fund to achieve its investment objective with respect to these Secondary Market Investments will be highly dependent on the performance of the Underlying Investment Fund. Many of these Secondary Market Investments will be passive in nature, and, therefore, the Advisers will have limited or no ability to control the day-to-day operation, including investment and disposition decisions, of the Underlying Investment Funds. There can be no assurance that any particular Underlying Investment Fund will be able to successfully implement its investment strategy or achieve the anticipated financial performance, and actual results can vary significantly from the projected or anticipated results. The Underlying Investment Funds will be competing for investment opportunities with many other real estate investment vehicles (including a Fund), as well as individuals, financial institutions (such as mortgage banks, pension funds and real estate investment trusts) and other institutional investors. The Underlying Investment Funds will, in some cases, be competing for assets with entities that have substantially greater economic and personnel resources and/or better relationships with sellers of assets, lenders and others. In addition,

competition for investments often has the effect of increasing costs, thereby reducing the Underlying Investment Funds' investment returns. There can be no assurance that an Underlying Investment Fund will be able to locate and complete investments that satisfy the Underlying Investment Fund's rate of return objectives or that it will be able to fully invest its available capital.

As an investor in the Underlying Investment Funds, a Fund will receive periodic reports from such Underlying Investment Funds at the same time as any other investor in such Underlying Investment Funds. It is possible that the Advisers will not always be provided with requested information regarding the investments made by the Underlying Investment Funds for a variety of reasons, including that the information is considered confidential. This potential lack of access to information would make it more difficult for the Advisers to evaluate the Underlying Investment Funds and their sponsors.

The transferability of Underlying Investment Fund interests generally will be limited under the Underlying Investment Fund's governing documents and applicable law and will typically require the consent of the sponsor of the Underlying Investment Fund. In addition, any market for such interests is expected to be limited. Funds for which this is applicable, therefore, generally will hold Underlying Investment Fund interests until their liquidation. An earlier sale of such interests, if feasible, often can only be achieved at a discount.

*Environmental Contamination on Properties.* In some cases, there is a chance that the properties of a Fund will contain ground contamination, hazardous substances and/or other residual pollution and environmental risks. Buildings and their fixtures might contain asbestos or other hazardous substances such as polychlorinated biphenyl, dichlordiphenyltrichlorethan, pentachlorophenol or lindane above the allowable or recommended thresholds, or the buildings could bear other environmental risks.

The Funds generally bear the risk of cost-intensive assessment, remediation or removal of such ground contamination, hazardous substances or other residual pollution. The discovery of any such residual pollution on the sites and/or in the buildings, particularly in connection with the lease or sale of properties or borrowing using the real estate as security, could trigger claims for rent reductions or termination of leases for cause, for damages and other breach of warranty claims against any Fund. The remediation of any pollution and the related additional measures a Fund would have to undertake could negatively affect such Fund and could involve considerable additional costs that the applicable Fund will often have to bear. Such Fund is also exposed to the risk that recourse against the polluter or the previous owners of the properties might not be possible, for example, because they cannot be identified, no longer exist or have become insolvent. Moreover, the existence or even the mere suspicion of the existence of ground contamination, hazardous materials or other residual pollution can negatively affect the value of a property and the Funds' ability to lease or sell such property.

Each Fund will be subject to various federal, state, provincial and municipal laws relating to environmental matters. Such environmental laws impose actual and contingent liabilities on a Fund to undertake remedial action on contaminated sites and in contaminated buildings. These obligations

can relate to sites a Fund currently owns or operates, sites a Fund formerly owned or operated or sites where waste from a Fund's operations have been deposited. Furthermore, actions for damages or remediation measures can be brought against a Fund. The costs of any removal, investigation or remediation of any residual pollution on such sites or in such buildings as well as costs related to legal proceedings, including potential damages, regarding such matters are often substantial, and in some cases it will be impossible, for a number of reasons, for a Fund to have recourse against a former seller of a contaminated site or building or the party that would otherwise be responsible for the contamination.

Laws and regulations, as are subject to amendment over time, can also impose liability for the release of certain materials into the air or water from a property, including asbestos, and such release could form the basis for liability to third persons for personal injury or other damages. In addition, if a Fund's officers or employees infringe or have infringed environmental protection laws, such Fund could be exposed to civil or criminal damages. Any such event could have a material adverse effect on such Fund's cash flows, financial condition and results of operations and the applicable Fund's ability to make distributions.

In order to obtain financing for the purchase of a new property through traditional channels, a Fund will, in certain cases, be requested to arrange for an environmental audit to be conducted. Although such an audit provides the applicable Fund and such Fund's lenders with some assurance, the relevant Fund will typically become subject to liability for undetected pollution or other environmental hazards on the Fund's properties against which such Fund cannot insure, or against which the relevant Fund will elect not to insure where it determines that premium costs are disproportionate to the Fund's perception of relative risk.

In addition, under applicable law, the tenants must conduct their business in their leased premises in accordance with applicable environmental laws and regulations and will be responsible for any liabilities arising out of infractions to such laws and regulations.

The Funds will be required to make capital and operating expenditures to comply with environmental laws and regulations. Although there can be no assurances, the Funds do not believe that costs relating to environmental matters will have a material adverse effect on their investments, financial condition, results of operations or distributions or cash interest payments. However, environmental laws and regulations can change and, as a result, the Funds can become subject to more stringent environmental laws and regulations (or more stringent enforcement or administration of existing legislation) in the future.

*Significant Capital Expenditures and Fixed Costs.* Certain significant expenditures, including property taxes, maintenance costs, mortgage and leasehold payments, insurance costs and related charges, must be made throughout the period of ownership of real property, regardless of whether the property is producing sufficient income to pay such expenses. This can include expenditures to fulfill mandatory requirements for energy efficiency. In order to retain desirable rentable space and to generate adequate revenue over the long term, the Funds must maintain or, in some cases, improve each property's



condition to meet market demand. Maintaining a rental property in accordance with market standards can entail significant costs, which the Funds will not necessarily be able to pass on to tenants. Numerous factors, including the age of the relevant building, the structure, the material and substances used at the time of construction or currently unknown building code violations, could result in substantial unbudgeted costs for refurbishment or modernization.

If the actual costs of maintaining or upgrading a property exceed the relevant Fund's estimates, or if hidden defects are discovered during maintenance or upgrading, which are not covered by insurance or contractual warranties, or if such Fund is not permitted to raise the rents due to legal constraints, the Fund will incur additional and unexpected costs. If competing properties of a similar type are built in the area where one of the Funds' properties is located or similar properties located in the vicinity of one of the Funds' properties are substantially refurbished, the net operating income derived from and the value of such property could be reduced.

Any failure by the Funds to undertake appropriate maintenance and refurbishment work in response to the factors described above could adversely affect the rental income the Funds earn from such properties; for example, such a failure could entitle tenants to withhold or reduce rental payments or even to terminate existing letting contracts. Any such event could have a material adverse effect on the Funds' cash flows, financial condition and results of operations and a Fund's ability to make distributions.

*Financing Risks.* The real estate industry is capital intensive. The Funds will require access to capital to maintain the Funds' properties, as well as to fund the Funds' capital expenditures from time to time. There is no assurance that capital will be available when needed or on favorable terms. The cost and availability of leverage is highly dependent on the state of the broader credit markets (which can be impacted by regulatory restrictions and guidelines) which state is difficult to accurately forecast. As a result, at times it can be difficult for portfolio investments to obtain or maintain the desired degree of leverage. The availability of leverage also is subject to governmental and regulatory oversight, and certain governmental bodies (including the U.S. Federal Reserve System, the U.S. Office of the Comptroller of the Currency and the U.S. Federal Deposit Insurance Corporation) can restrict or otherwise discourage lending that results in companies carrying large amounts of debt. The Funds' failure to access required capital could adversely impact their investments, cash flows, operating results or financial condition, their ability to make distributions and their ability to implement their growth strategy.

The Funds' access to third-party financing will be subject to a number of factors, including: (i) general market conditions; (ii) the market's perception of a Fund's growth potential; (iii) a Fund's current and expected future earnings; and (iv) a Fund's cash flow and cash distributions and cash interest payments.

If a property is mortgaged to secure the payment of indebtedness or if a Fund owns a leasehold interest in a property and it is unable to meet mortgage payments or leasehold payments (including any option amount required to purchase the property), as applicable, the mortgagee could foreclose upon the

property, appoint a receiver and receive an assignment of rents and leases or pursue other remedies, or a Fund could forfeit its leasehold interest, all of which could result in lost revenues and reduced asset value to the applicable Fund.

The degree to which a Fund is leveraged could have important consequences to the limited partners. Such factors include: (i) a significant portion of a Fund's cash flow can be dedicated to the payment of the principal of, and interest on, a Fund's indebtedness, thereby reducing the amount of funds available for the payment of cash distributions to the limited partners; (ii) certain of a Fund's borrowings will be at variable rates of interest which exposes it to the risk of increased interest rates; (iii) a significant portion of cash flows could be used to service indebtedness; (iv) a high level of debt would increase vulnerability to general adverse economic and industry conditions; (v) the covenants contained in the agreements governing a Fund's other indebtedness will, in some cases, limit a Fund's ability to borrow additional funds, dispose of assets, encumber its assets and make potential investments; (vi) a high level of debt has the potential to place a Fund at a competitive disadvantage compared to other owners of similar real estate properties that are less leveraged and therefore able to take advantage of opportunities that a Fund's indebtedness would prevent such Fund from pursuing; (vii) a Fund's debt covenants also generally affect flexibility in planning for, and reacting to, changes in the economy and in the industry; (viii) a high level of debt will often make it more likely that a reduction in a Fund's borrowing base following a periodic valuation (or redetermination) would require such Fund to repay a portion of then-outstanding borrowings; (ix) a high level of debt can impair a Fund's ability to obtain additional financing in the future for working capital, capital expenditures, general trust or other purposes; and (x) a high level of indebtedness increases the risk that a Fund will default on its debt obligations.

A Fund's ability to make scheduled payments of the principal of, or interest on, and to otherwise satisfy such Fund's debt obligations depends on future performance, which is subject to the financial performance of the relevant Fund's properties, prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond a Fund's control. There can be no guarantee that either any Fund will be able to generate sufficient cash flows to pay the interest on such Fund's indebtedness, or that a Fund's future working capital, borrowings or equity financing will be available to pay or refinance such debt.

Further, on occasion affiliates of a Fund limited partner will be permitted to finance the acquisition of, or provide financing after acquisition to, a portfolio investment. On such occasions, the Adviser will receive competitive bids from other debt providers and ensure that the transaction is made in the portfolio investment's best interest. Additional information on some of the Advisers' relationships with other financial institutions, including as a lender, as well as certain factors SLAM believes minimize the potential conflicts of interest associated therewith, are contained in Item 10.

*Subscription Lines.* The Funds generally are permitted to enter into a subscription line with one or more lenders in order to finance their operations (including the acquisition of the portfolio investments). Fund-level borrowing subjects limited partners to certain risks and costs. For example, because

amounts borrowed under a subscription line typically are secured by pledges of a General Partner's right to call capital from limited partners, limited partners may be obligated to contribute capital on an accelerated basis if a Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in additional Fund expenses that will be borne by limited partners. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. As a subscription line's interest rate is based in part on the creditworthiness of limited partners and the terms of the relevant Governing Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to the Funds, or result in short-term gains to the Funds, which in certain circumstances enhances a Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the Advisers and increases the likelihood that any hurdle or preferred return component in a Fund's carried interest arrangements will be met. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither a Fund nor limited partners generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities in their entirety, including co-investors' or potential co-investors' proportionate share of such amounts, which are expected to be borne exclusively by the relevant Fund.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of the Funds and limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on a General Partner's ability to consent to the transfer of interests or impose concentration or other limits on the portfolio investments, and/or financial or other covenants, that could affect the implementation of a Fund's investment strategy. In addition, in order to secure a subscription line, a General Partner may request certain financial information and other documentation from limited partners to share with lenders. The General Partners will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio investment or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by

a Fund, resulting in potential liquidity constraints or other burdens on the relevant portfolio investment or Fund subsidiary.

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

If a portfolio investment appreciates in value and is disposed of prior to repayment, a Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, and the absence of invested capital funded by limited partners potentially will result in distribution of net proceeds without a preferred return accrual on the amount invested.

Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the General Partners, as reduced by the interest incurred by the Funds. Subject to the limitations in the Governing Documents, this scenario potentially incentivizes the Advisers to permanently fund the acquisition and ongoing capital needs of the portfolio investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

*Changes in Government Regulations.* The Funds are subject to laws and regulations governing the ownership and leasing of real property, employment standards, environmental and energy efficiency matters, taxes and other matters. It is possible that future changes in applicable federal, provincial, state, local or common laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting the Funds (including with retroactive effect). In addition, the political conditions in the jurisdictions in which the Funds will operate are also subject to change. Any changes in investment policies or shifts in political attitudes have the potential to adversely affect the Funds' investments. Any changes in the laws to which the Funds are subject in

the jurisdictions in which the Funds operate could materially affect the rights and title to the properties. It is not possible to predict whether there will be any further changes in the regulatory regime(s) to which the Funds are subject or the effect of any such change on the Funds' investments.

*Changes in Interest Rates.* When concluding financing agreements or extending such agreements in connection with financing the acquisition of properties or otherwise, the Funds will depend on their ability to agree on terms for interest payments that will not impair the Funds' desired profit and on amortization schedules that do not restrict the Funds' ability to pay distributions. An increase in interest rates could result in a significant increase in the amount paid by the Funds and the Funds' subsidiaries to service debt, resulting in a decrease in distributions to the limited partners. In addition, increasing interest rates can put competitive pressure on the levels of distributable income paid by the Funds to the limited partners, increasing the level of competition for capital faced by the Funds.

*Undisclosed Defects and Obligations.* Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, as well as a Fund's ability to realize its anticipated growth opportunities and synergies from its newly acquired properties.

Notwithstanding pre-acquisition due diligence, it is not possible to fully understand a property before it is owned and operated for an extended period of time. For example, a Fund could acquire a property that contains undisclosed defects in design or construction. Furthermore, a Fund is not always able to obtain from the seller the records and documents that such Fund needs in order to fully verify that the buildings it acquires were constructed in accordance, and that their use complies, with planning laws and building code requirements. Accordingly, in the course of acquiring a property, specific risks might not be or might not have been, recognized or correctly evaluated. Thus, a Fund could have overlooked or misjudged legal and/or economic liabilities. These circumstances could lead to additional costs and could have an adverse effect on a Fund's proceeds from sales and rental income of the relevant properties. In addition, after the acquisition of a property by a Fund, the market in which the acquired property is located can, on occasion, experience unexpected changes that adversely affect the property's value. Under certain circumstances, the occupancy of properties that the Funds acquire will decline during the Funds' ownership, and rents that are in effect at the time a property is acquired will sometimes decline thereafter. For these reasons, among others, there can be no guarantee that a Fund's property acquisitions will not cause it to experience losses. If the Funds are unable to integrate their acquisitions effectively, the Funds' investments, operating results and financial condition could be adversely affected.

If a Fund discovers, during the course of a refurbishment or modernization, that a building it acquired is subject to historic preservation laws, the need to comply with the respective historic preservation requirements could lead to significant delays in the refurbishment or modernization process, the inability to carry out particular refurbishment or modernization measures, and also significantly higher costs for the particular project. These factors could result in such Fund being unable to perform its contractual obligations to a tenant, with the consequence that the tenant's obligation to make

payments would be excused or deferred. The same would be true if the legal requirements relating to existing and permitted properties and their use become more onerous, particularly with respect to construction and environmental requirements. Each Fund will continually assess the value and contribution of its properties and will dispose of properties from time to time if determined to be in such Fund's best interests. Depending on the state of the market for these types of properties, if disposed of, a Fund will, at times, realize less than its carrying value in its financial statements.

The limited partners will not have any rights against the vendor of the Funds' properties. The sole remedy of the Funds and any of the limited partners would be through the relevant General Partner bringing an action against the vendor for a breach of a representation or warranty, if any, contained in a purchase agreement, subject to any caps therein.

*Uninsured or Underinsured Losses.* The Funds will carry general liability, umbrella liability and excess liability insurance with limits which are typically obtained for similar real estate portfolios and otherwise acceptable to the relevant General Partner. For the property risks the Funds intend to carry "Multi-Risk" property insurance including but not limited to, natural catastrophic events and loss of rental income insurance. There are, however, certain types of risks (generally of a catastrophic nature such as from war or nuclear accident) which are uninsurable under any insurance policy. Furthermore, there are other risks that are not economically viable to insure at this time. Should an uninsured or underinsured loss occur, the Funds could lose their investment in, and anticipated profits and cash flows from, one or more of its properties, but the Funds would continue to be obligated to repay any recourse mortgage indebtedness on such properties. The Funds can elect not to carry title insurance on its properties. If a loss occurs resulting from a title defect with respect to a property where there is no title insurance or the loss is in excess of insured limits, a Fund could lose all or part of its investment in, and anticipated profits and cash flows from, such property.

*Hedging Transactions.* The Funds are permitted to, but are not obligated to, utilize financial instruments to hedge their investments and the interest rate risk associated therewith. There can be no assurance that a Fund will hedge when appropriate or choose the correct hedge if it does hedge. Although the Funds expects to engage in hedging transactions to hedge against risks and not for speculation, the use of hedging transactions involves certain risks. These risks include: (i) the possibility that the market will move in a manner or direction that would have resulted in gain for a Fund had a particular hedging transaction not been utilized, in which case such Fund's performance would have been better had the Fund not engaged in the hedging transaction; (ii) the risk of imperfect correlation between the risk sought to be hedged and the hedging instrument used; and (iii) potential illiquidity for the hedging instrument used, which can make it difficult or costly for the applicable Fund to close-out or unwind a hedging transaction.

*SLAM Can In-Source or Outsource.* Subject to applicable law and the terms of the applicable Governing Documents, SLAM is permitted to, from time-to-time and without notice to the limited partners, in-source or outsource certain processes or functions in connection with a variety of services that it provides to each Fund in its administrative or other capacities. In-sourcing or outsourcing gives rise

to additional conflicts of interest, including with respect to determining the cost and allocation of in-source services.

### Legal, Regulatory and Tax Risks

The regulatory considerations affecting SLAM's ability to achieve the Funds' investment objectives are complicated and subject to change.

In addition, other legal, tax and regulatory changes could occur during the term of a Fund that have the potential to adversely affect such Fund and its Adviser. For example, from time to time, the market for private fund transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. In addition, private funds and their investment advisers are often subject to increased regulation, taxation or other scrutiny by regulators or other market participants. There can be no assurance as to whether any such scrutiny or initiatives will have an adverse impact on SLAM or the private fund industry generally, including SLAM's ability to take the measures necessary to effect operating improvements or restructurings of portfolio investments or otherwise achieve a Fund's objectives.

*Disputes and Litigation.* Real estate assets are at risk of becoming involved in disputes and possible litigation, the extent of which cannot be ascertained. Any material or costly dispute or litigation could adversely affect the value of the portfolio investments or future financial performance and value of the portfolio investments.

*Effects of Bankruptcy.* The Funds are permitted to invest in real estate assets that are or will become the subject of voluntary or involuntary bankruptcy or similar proceedings under applicable laws. Certain risks that are faced in bankruptcy or similar proceedings that must be factored into the investment decision include, for example, the potential total loss of any such investment. Upon confirmation of a plan of reorganization under applicable bankruptcy laws, or as a result of a liquidation proceeding, a Fund could suffer a loss of all or a part of the value of its portfolio investments. A bankruptcy filing or similar proceeding is likely to adversely and permanently affect a portfolio investment.

*Changes in Applicable Law.* SLAM must comply with various legal requirements, including requirements imposed by domestic and foreign anti-money laundering laws, securities laws, commodities laws, tax laws and pension laws. Should any of those laws change over the term of the life of a Fund, the legal requirements to which an Adviser and the limited partners are subject could differ materially from current requirements.

*Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. In particular, the SEC has increased emphasis on investment adviser and private fund regulation and has both adopted and proposed a number of new rules that impose significant changes on private fund advisers and their management of private funds. Such changes are expected to materially impact

SLAM US, the Funds and/or the investments, as well as increasing their expenses, as significant time and resources are expected to be required to comply with new regulations. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of the Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute their investment strategy or achieve their investment objectives.

On August 23, 2023, the SEC adopted new rules and amendments (collectively, the "Private Fund Rule") to existing rules under the Advisers Act specifically related to advisers to private funds. In particular, the Private Fund Rule (i) requires quarterly reporting by registered private fund advisers to limited partners concerning performance, fees and expenses; (ii) requires registered investment advisers to obtain an annual audit for private funds; (iii) requires registered investment advisers to obtain a fairness opinion or a valuation opinion and make certain disclosures in connection with adviser-led secondary transactions; (iv) imposes limitations and new disclosure requirements regarding preferential treatment of limited partners in private funds in side letters or other arrangements with the adviser; and (v) prohibits advisers to private funds from taking certain actions without providing disclosures to limited partners and, in some cases, without obtaining limited partner consent. The Private Fund Rule is expected to have a significant effect on the Advisers, the Funds and their operations, including increased compliance burdens and associated regulatory costs, increased investor reporting and disclosures to investors, enhanced risk of regulatory action and additional regulatory uncertainty.

*Tax Considerations Differ for Each Limited Partner.* The tax position of limited partners in the Funds will differ according to each limited partner's particular financial and tax situations. The tax structuring of the Fund or its investments will not necessarily be tax efficient for any particular prospective limited partner. No undertaking is given that amounts distributed or allocated to limited partners will have any particular characteristics or that any specific tax treatment will be enjoyed. Prospective limited partners should consult their own tax advisors in this regard. None of the Advisers, or any of their respective officers, directors, employees, advisors or agents can take responsibility in this regard.

*Conflicts Related to the Interpretation of Governing Documents and Other Legal Requirements.* The Governing Documents of each Fund and related documents are detailed agreements that establish complex arrangements among SLAM, the limited partners, the Fund, the General Partner and other entities and individuals. Questions can arise under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, can be broad, general, ambiguous or conflicting, and permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While SLAM will construe the relevant agreements in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations SLAM adopts will not necessarily be, and need not be, the interpretations that are the most favorable to the Funds or their limited partners.



## Conflicts of Interest

In some cases, an Adviser will have a conflict of interest in connection with its activities. Conflicts can arise when an Adviser or its respective affiliates are engaged in providing advisory or other business services to, are investing in, or have another business relationship with a portfolio investment. For example, there have been instances in which members of SLAM also hold an interest in entities providing development services to a real estate asset held by a Fund. There can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost; however, in such instances, the Advisers have sought to address such conflict of interest by making disclosure to, and receiving the consent of, the relevant Fund's advisory committee.

As a result of certain conflicts of interest, it is possible that an Adviser will be precluded from making certain investments or that an investment can be smaller or made on less favorable terms than would be the case if an Adviser did not have a conflict of interest. There is also a chance that an Adviser will invest in opportunities declined by other entities controlled by SLAM, and it is similarly possible that such other entities will invest in opportunities that an Adviser or other SLAM affiliate declined.

*Allocation of Investment Opportunities.* The Advisers and their affiliates currently advise the AIFMs and other Funds, other investment vehicles and entities, and in the future expect to advise other funds and investment vehicles and entities. The investment policies, fee arrangements and other circumstances of a Fund often vary from one Fund to another as well as with the other investment vehicles and entities. The Advisers and their affiliates will, from time to time, be presented with investment opportunities that fall within a Fund's investment objective and the investment objectives of one or more other Funds and/or other investment vehicles and entities. While the Advisers and their affiliates will seek to manage such potential conflicts of interest in good faith, there are likely to be situations in which the interests of a Fund with respect to a particular investment or other matter conflict with the interests of one or more of the other Funds and/or other investment vehicles or entities. The Advisers anticipate that in the event the Advisers and/or their affiliates advise or recommend that more than one Fund and/or other investment vehicles or entities purchase or sell the same securities or instruments at the same time, the classification of an investment opportunity as appropriate or inappropriate for (a) a Fund will be as recommended by the Advisers and (b) the other Funds and/or other investment vehicles or entities will be as recommended by SLAM or its affiliates (including, in certain cases, the Advisers) and the AIFM and the managers of other Funds and/or other investment vehicles or entities shall each in its discretion decide whether or not to make an investment, taking into account such recommendations.

The determinations made in connection with the allocation of investment opportunities will frequently be subjective in nature and consequently, (a) an investment that was determined as appropriate for a specific Fund (or for another Fund and/or other investment vehicles or entities) can ultimately prove to have been more appropriate for another Fund and/or other investment vehicle or entity (or for a certain Fund) and (b) where potential overlaps with any of the other Funds and/or other investment

vehicle or entity exist, the Advisers will sometimes advise or recommend that investment opportunities suitable for a Fund should be foregone. All of the foregoing could, in certain circumstances, (i) adversely affect the price paid or received by a Fund or the size of the position purchased or sold by a Fund, (ii) preclude such Fund from participating in an investment or (iii) limit the rights such Fund is able to exercise with respect to an investment.

None of the General Partners, the Advisers or their respective affiliates has any affirmative obligation to offer any investments to a particular Fund or to inform such Fund(s) before offering any investments to other Funds and/or other investment vehicle or entity.

*Conflicts of Interest Regarding Costs and Expenses.* A potential conflict of interest exists in the Advisers' determination of whether certain costs or expenses that are incurred in connection with the operation of a Fund constitute expenses for which such Fund is responsible or whether such expenses should be borne by an Adviser. A Fund will be reliant on the determinations of its relevant General Partner in this regard. Additionally, each Fund will be reliant on determinations of the relevant Adviser with regard to the allocation of any common fees or expenses as between a Fund and the other investment vehicles, co-investment funds or other Funds managed by SLAM, the AIFM or either of their affiliates.

*Cross Fund Transactions.* In infrequent circumstances, SLAM effects a cross transaction between Funds. Such cross fund transactions create conflicts of interest because by not exposing such buy and sell transactions to market forces, it is possible that (i) a Fund will not receive the best price possible or (ii) SLAM will have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. All such transactions will be approved pursuant to the Governing Documents. *Financing of Employee Interests.* For employees that choose to participate in a Fund or an employee co-invest vehicle that invests side-by-side with a Fund, SLAM will, in certain cases, finance the employees' investment on favorable terms in an amount up to a certain percentage and/or dollar amount. SLAM believes this practice further aligns its interests, and those of its employees, with the Funds and the Funds' underlying limited partners since employees are incentivized to invest in the Funds.

*Affiliate Borrowings.* To the extent not prohibited by applicable law, a Fund is permitted to obtain one or more revolving credit, bridge and/or other secured and unsecured indebtedness or financing from SLAM or its affiliates to provide leverage, including for liquidity purposes or intra-capital call funding. Such borrowings will be subject to the provisions of the Governing Documents and will be on arm's-length terms, although not the result of arm's-length negotiations. Notwithstanding this, the interests of SLAM and/or such affiliates can conflict with the interests of the Funds and their limited partners.

*Involvement of Affiliates; Fees to Affiliates.* SLAM and its affiliates provide, and are compensated for providing, the Funds with certain services, including property management, construction management and leasing services in accordance with the applicable Governing Documents. The Advisers express no view of how such fees, reimbursements and terms will compare to the relevant markets. Such fees paid by a Fund to an affiliate will not be shared with such Fund and are in addition to and do not

offset the Management Fee paid to an Adviser. Notwithstanding such retention, certain elements of the services and performance thereof can then be sub-contracted to third parties in whole or in part.

The infrastructure strategy seeks to provide operational and value enhancements for target investments involving synergies or adjacencies available with real assets owned by a Fund, and, in some situations, infrastructure portfolio companies of one Fund provide, or may in the future provide, commodities, products and services to real estate assets owned by another Fund. Examples of these arrangements include, but are not limited to, an infrastructure portfolio company of a Fund providing renewable power to real estate assets managed by another Fund and an infrastructure portfolio company of a Fund installing EV charging stations and solar power generating infrastructure on real estate assets managed by another Fund. Approval of such arrangements are conducted in accordance with the applicable Governing Documents.

### **Item 9 – Disciplinary Information**

The Advisers and their management persons have not been subject to any material legal or disciplinary events required to be disclosed in this Brochure.

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

As described in Item 4, the Advisers are affiliated with the SLAM family of companies. Additionally, SLAM manages two real estate investment trusts (“REITs”) that are publicly listed on the Toronto Stock Exchange. The REITs are subject to exchange and advisory rules promulgated in Canada and which impose additional compliance obligations and registration requirements and generally expose SLAM to an increased level of scrutiny. The REITs have liquidity terms, fees and other features that substantially differ from the Funds.

Additionally, as discussed in Item 4 and throughout this Brochure, SLAM is a vertically integrated investment management firm and is affiliated with the following additional SLAM entities which provide a variety of services to the Funds, including property development and leasing activities:

Slate Mortgage Services Inc. is registered as a mortgage brokerage regulated by the Financial Services Regulatory Authority of Ontario and provides mortgage or lending arrangement services in connection with certain of the Funds’ commercial or residential real estate properties from time to time.

Slate Asset Management L.P. is a sponsor of privately offered pooled investment vehicles structured as limited partnerships, including certain Funds. Slate Asset Management L.P. also owns SEC registered investment adviser Presima Securities ULC.

Presima Securities ULC is a U.S. registered investment adviser focused on global real estate securities. In Canada, Presima Securities ULC is an exempt market dealer, portfolio manager and investment fund manager registered with the Canadian Securities Administrators.

Certain Funds are considered “alternative investment funds” (“AIFs”) for purposes of the AIFMD. To comply with the AIFMD, and although SLAM US or another SLAM affiliate will continue to act as the investment adviser to the relevant AIFs, SLAM maintains affiliations with Sanne LIS S.A. and Langham Hall Management Sarl, each of whom serve as the designated third-party AIFM for purposes of the AIFMD and such AIFM discloses their affiliation with the respective AIF in their separate Form ADV. It is possible that SLAM will form additional affiliations in the future with other regulated entities meeting the qualification standards to serve as an AIFM. Additionally, SLAM maintains a variety of relationships with various Canadian banking institutions, including potentially as a lender, custodian, prime broker, or as a co-venturer, co-investor and/or Fund limited partner. As banks generally participate as part of a larger syndication for lending, the Advisers believe the use of a loan syndicate further validates the terms of any such underlying loan and helps resolve any issues of preferential allocation or conflicts of interest.

Further, SLAM maintains relationships with other investment managers with whom SLAM makes select investments, such as entering into co-investments and/or co-venture relationships.

SLAM US does not recommend or select other investment advisers for the Funds.

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

Pursuant to Rule 204A-1 of the Advisers Act, SLAM US has adopted a written code of ethics (“Code of Ethics” or the “Code”) that sets forth standards of conduct expected of supervised persons and addresses personal trading and reporting of personal securities transactions, gifts and entertainment and outside business activities, among other topics. SLAM US applies the Code of Ethics to all Adviser personnel. The Code of Ethics requires supervised persons to place Fund interests ahead of the Advisers’ interests and to maintain full compliance with the federal securities laws. With respect to third parties that are not subject to the trading restrictions under the Code of Ethics and that may otherwise obtain sensitive and nonpublic information relating to a Fund deal (*e.g.*, co-investors, joint venture partners, legal, financial, diligence, public relations and other similar service providers), such persons typically are subject to contractual provisions in confidentiality agreements or professional obligations that prohibit the misuse of any such information.

Supervised persons are required to certify their compliance with the Code of Ethics upon hire and on an annual basis. Supervised persons who violate the Code may be subject to remedial actions, including, but not limited to, censure, fines, suspension or dismissal. Supervised persons are also required to promptly report any violations of the Code of which they become aware.

SLAM US will provide a copy of its Code of Ethics to any existing or prospective limited partner upon request to SLAM US’ Chief Compliance Officer, at 312-847-1480 or [compliance@slateam.com](mailto:compliance@slateam.com).

## Participation or Interest in Client Transactions

Certain SLAM employees and their family members have invested in the Funds either through the General Partner entities and/or as Fund limited partners. As mentioned in Item 5 above, SLAM has the ability to reduce all or a portion of the Management Fee and Carried Interest allocation related to investments held by such persons; provided, however, that to the extent such Management Fee is ultimately paid at the portfolio investment level, the pro rata effect on all investors is expected to be the same.

Section 206(3) of the Advisers Act generally prohibits investment advisers from engaging in principal, cross and agency cross transactions without the appropriate disclosure and consent. The Advisers will only enter into a principal, cross or agency cross transaction with the appropriate disclosure and consent.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, knowingly buys from or sells a security to an advisory client. This also applies to any affiliates or controlling persons of the adviser (*i.e.*, an owner, employee or affiliate of the adviser, such as a Fund General Partner). Cross trades between funds can also be deemed to be principal transactions if the adviser (and/or its affiliates, owners, or controlling persons) own, in the aggregate, 25% or more of either fund. In the context of SLAM's business, a principal transaction would most likely refer to the practice of the General Partners or its members warehousing an investment for the formation of a future fund or SLAM or a Fund General Partner purchasing the interest of an existing limited partner.

Cross transactions occur when an adviser or an affiliate arranges a transaction (*i.e.*, acts as broker) between two or more funds or accounts that are managed by that same adviser or an affiliate. An adviser is not "acting as a broker" if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the assets) for effecting the transaction and therefore is not considered to be conducting a cross transaction under Section 206(3) of the Advisers Act. In the context of SLAM's business, a cross transaction would occur when selling a portfolio investment or other asset from one Fund to another. Agency cross transactions occur where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer, which is not applicable to SLAM.

In the event an Adviser were to recommend a principal transaction or cross transaction, such transaction could only occur after: (i) the Adviser has determined the transaction to be in the best interest of participating clients; (ii) the transaction is determined to be permitted by the relevant Governing Documents; (iii) proper disclosure is given to the relevant General Partner, advisory committee or limited partners, as appropriate; (iv) consent is obtained from the appropriate parties; and (v) the Adviser ensures that best execution is achieved for the transaction.

## **Conflicts of Interest**

If any matter arises that an Adviser determines in its good faith constitutes an actual conflict of interest, the Adviser will take such actions as are necessary or appropriate, and as permitted by any applicable Fund's Governing Documents, to address the conflict. The Governing Documents of each Fund include a description of what each Fund General Partner believes to be the most significant conflicts of interest associated with an investment in that Fund. Some of these conflicts are summarized in Item 8 above.

## **Personal Trading**

The personal trading policy for supervised persons is set forth in the Code of Ethics and is acknowledged as received and understood by each supervised person. The personal trading policies are designed to ensure that no Fund is disadvantaged by the transactions executed by a supervised person and that supervised persons do not misappropriate any benefit properly belonging to a Fund.

Supervised persons and their covered family members are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information or communicating material nonpublic information about such securities to others. The Code of Ethics establishes guidelines for personal trading requirements, insider trading and reporting of personal securities transactions, including certain pre-clearance and reporting obligations. The Advisers maintain a restricted list of issuers about which they have or may have material nonpublic information, and in respect of which trading is strictly prohibited. Supervised persons are permitted to make securities transactions in their personal accounts, subject to certain limitations. Pre-clearance is required by supervised persons and their covered family members for certain personal securities transactions, initial public offerings and limited offerings. In addition, supervised persons are required to file certain reports and SLAM's compliance software obtains electronic fees of brokerage account transactions to enable review of personal trading by the Chief Compliance Officer or their designee.

Principals and employees carry on investment activities for their own account and for family members or others, and in connection therewith, can potentially give advice and recommend securities which differs from advice given to, or securities recommended or bought for, the Funds, even if their investment objectives are the same or similar. In addition, principals, employees and affiliates are permitted to buy securities in transactions offered to, but rejected by, the Funds or that are outside the investment mandate of the Funds. All such employee private investments are subject to pre-approval and/or review by the Chief Compliance Officer.

## **Item 12 – Brokerage Practices**

Generally, SLAM focuses on privately negotiated real estate transactions and securities transactions of private companies or other corporate entities that invest in real estate assets. In such privately negotiated transactions, best execution is met by the consummation of the deal with the best possible terms. In pursuing privately negotiated transactions, the Advisers will, on occasion, engage the

services of a broker-dealer in connection with the purchase, sale or financing of a portfolio investment. When considering the services of a broker-dealer for the purchase or sale of a portfolio investment, the Advisers select a broker-dealer based on their judgment regarding a variety of factors, which will not be limited solely to ultimate deal price, including but not limited to: SLAM's prior experience in working with the broker-dealer; the broker-dealer's execution capability, financial responsibility, reputation and expertise within the industry; the broker-dealer's responsiveness to the Adviser; the broker-dealer's expertise in dealing with investments that are restrictive or illiquid in nature; the type and size of the transaction involved; the value of any research services provided; and the commission rates, among other factors.

Although the Advisers generally seeks competitive commission rates, they will not necessarily pay the lowest commission or commission equivalent, especially in private securities transactions that rely on the specialty services or experience of a broker-dealer that operates outside of a competitive bidding environment. Transactions that involve such specialized services on the part of the broker-dealer can thereby entail higher commissions or other fees than would be the case with transactions requiring more routine services. However, the Advisers believe the commissions or mark-ups charged are competitive with those that other broker-dealers charge.

It is possible, under certain circumstances, that a Fund and/or an Adviser will not pick the lowest cost option, and could pay higher rates in order to ensure the best overall suite of services. Allocation of business (either SLAM's and/or a Fund's) will be based on a combination of factors, which include qualitative and relationship factors as described above. However, in no case will a bank and/or broker-dealer be excluded from receiving business because they do not provide other ancillary services or benefits to SLAM.

In the event a SLAM affiliate were to perform mortgage or real estate-related brokerage services for a Fund, such fees will be provided to a Fund portfolio investment at the same market rates similarly provided to all third-party market participants.

The Advisers do not receive research or other soft dollar benefits in connection with securities transactions for the Funds, do not receive prospective limited partner referrals in connection with selecting or recommending broker-dealers for the Funds and do not engage in directed brokerage. In the event an Adviser were to aggregate the purchase or sale of securities for client accounts, it expects to do so on a pro rata basis.

## **Item 13 – Review of Accounts**

### **Oversight and Monitoring**

The Advisers closely monitor the portfolio investments of the Funds. The investments of the Funds are generally private, illiquid and long-term in nature and accordingly the review of them is not directed toward a short-term decision to liquidate. A team of professionals, which includes at least one Partner and other investment professionals, reviews each Fund's portfolio on an ongoing basis, which review

includes, without limitation, estimated valuation, ongoing operating costs and cash flow forecasts, competitive landscape, financing, fund performance, asset management and leasing activity, among other factors.

The relevant Fund investment committee would perform additional reviews in the event of a potential acquisition or liquidity event, a serious performance issues or an investment required subsequent financing.

## **Reporting**

Depending on the Fund and as described in each Fund's Governing Documents, limited partners are provided with the following written reports: (i) annually, audited financial statements together with other relevant information pertaining to the portfolio investments; (ii) unaudited financial statements for the first three quarters of each fiscal year; (iii) bi-annually, an update on the Fund's portfolio investments; and (iv) annually, valuations for income tax and regulatory reporting purposes of the Fund's portfolio investments as of the end of the preceding calendar year. The Advisers also have contact with limited partners (*e.g.*, personal visits, telephone and email) throughout the year and/or as conditions warrant.

In the course of conducting due diligence or otherwise, limited partners periodically request information pertaining to SLAM's portfolio investments and track record. The Advisers respond to these requests, and in answering such requests, provide information that is not always made available to other limited partners who have not requested such information. Additionally, as it pertains to existing limited partners, upon request or pursuant to contractual obligations, certain limited partners will receive additional information and reporting that other limited partners will not receive. As a result, certain limited partners will have more information about a Fund than other limited partners. SLAM US will ensure that the disclosure of preferential information rights complies with the Private Fund Rule, as required, commencing with its effective date in September 2024.

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

As described in Item 5 above, the Advisers, an affiliate or certain SLAM personnel are entitled to receive certain additional fees and reimbursements from the portfolio investments held by the Funds.

These types of fee arrangements present potential conflicts of interest and provide the Advisers with an incentive to recommend investments based on compensation received rather than the best interests of the Funds. All limited partners are informed of such fees and compensation prior to investment in a Fund as detailed in the Fund Governing Documents.

When raising capital for a new Fund, from time to time SLAM has entered into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner. Fees for the placement agent(s), as well as related expenses such as placement agent travel, meals and entertainment, are paid by the relevant Adviser or an affiliate.



## **Item 15 – Custody**

Different rules regarding custody and audit procedures apply based on the jurisdiction of organization of a Fund.

For Funds organized in the United States, SLAM US is deemed to have custody of certain Fund assets because of its affiliation with the General Partners and the General Partners' ability to deduct fees from the Funds' accounts. Where applicable, and to comply with Advisers Act Rule 206(4)-2 (the "Custody Rule"), SLAM US has elected to undergo an annual GAAP financial statement audit by an independent public accountant registered with and subject to examination by the Public Company Accounting Oversight Board ("PCAOB") for each Fund over which SLAM US is deemed to have custody and which are subject to the Custody Rule, copies of which are (or will be, for newly closed Funds) delivered to the Funds and their respective limited partners within 120 days of fiscal year end. In addition, upon the final liquidation of a Fund, SLAM US will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Funds to all underlying limited partners promptly upon completion of the audit. Limited partners are encouraged to carefully review such financial statements.

For those Funds organized outside of the United States, audits are generally performed in accordance with International Financial Reporting Standards ("IFRS") or Luxembourg GAAP, but in each case in accordance with Fund Governing Document requirements. Financial statements for Funds organized outside of the U.S. are (i) prepared in accordance with IFRS, (including, for Funds that have U.S. limited partners, an audited U.S. GAAP reconciliation footnote in relation to any material differences) or GAAP in the country in which the Fund is organized; (ii) audited in accordance with U.S. Generally Accepted Auditing Standards; and (iii) distributed to the Fund's limited partners within 120 days after the Fund's fiscal year-end.

## **Item 16 – Investment Discretion**

The Advisers generally receive and exercise complete discretionary authority to manage investments on behalf of the Funds as per the Governing Documents of each Fund. To become a limited partner in a Fund, an investor must execute, among other documents, a subscription agreement and a limited partnership agreement (or similar agreement) with a Fund. Such documents generally contain a power of attorney that grants the relevant Adviser or the applicable Fund's General Partner certain powers related to the orderly administration of the affairs of the Funds. Once a limited partner executes these documents, with limited exceptions discussed elsewhere in this Brochure, an Adviser is not required to contact such limited partner prior to transacting business in a Fund.

Generally, an Adviser's only restrictions with respect to managing a Fund, such as, but not limited to, the type of investments or securities in which a Fund invests, will be contained in the relevant Fund Governing Documents. However, a limited partner can seek to impose limitations on an Adviser's authority to provide advisory services through a side letter agreement, and the Adviser and/or the relevant General Partner can choose to accept reasonable limitations or restrictions at its discretion.

All limitations and restrictions placed upon an Adviser's investment authority with respect to a limited partner's investment must be presented to the Adviser and the relevant Fund's General Partner in writing and agreed to by all applicable parties.

No limited partners to date have limited a Fund's discretionary authority to provide investment advice.

### **Item 17 – Voting Client Securities**

Rule 206(4)-6 of the Advisers Act requires an investment adviser who exercises voting authority with respect to client securities to adopt and implement written policies and procedures reasonably designed to ensure that the adviser votes proxies in the best interest of its clients. Rule 206(4)-6 further requires an adviser to provide a concise summary of its proxy voting process and offer to provide copies of the complete proxy voting policy and procedures to clients upon request. Lastly, Rule 206(4)-6 requires that each adviser disclose to clients how they can obtain information on how the adviser voted their proxies.

The Funds invest, either directly or indirectly (through partnerships or other entities), in real estate related assets, none of which issue proxies. Accordingly, the Advisers do not have an opportunity to vote proxies on behalf of the Funds and do not currently exercise voting authority on behalf of such Funds. In the event this were to change, the Advisers will implement policies and procedures to vote such proxies in accordance with its fiduciary duty and in the best interests of the Funds.

### **Item 18 – Financial Information**

The Advisers do not require or solicit prepayment of more than \$1,200 in fees per Fund, six months or more in advance; have no financial condition reasonably likely to impair their ability to meet contractual commitments to the Funds or limited partners; and have not been the subject of a bankruptcy proceeding.