

Form ADV Part 2

Item 1 – Cover Page



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March 26, 2024

This brochure provides information about the qualifications and business practices of The Roxborough Group, LLC. If you have any questions about the contents of this brochure, please contact us at (415) 728-0792. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Roxborough LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The Roxborough Group, LLC is required to list any material changes to this Form ADV Part 2A in this Item 2. There are no material changes to report since the last filing in March 2023.

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Item 4 – Advisory Business

The Roxborough Group, LLC and its affiliates (together “Roxborough” or the “Company”) is a privately held real estate investment firm headquartered in San Francisco and founded in 2013 by J. Marc Perrin, who co-headed Starwood's U.S. acquisitions and ran the Western U.S. business. Roxborough focuses on opportunities in opportunistic, value add, and transitional real estate assets, primarily focused on industrial, multifamily, office, and distressed hotels in the western half of the US.

Roxborough provides discretionary asset management services to pooled investment vehicles including Roxborough Fund II, L.P. (“Fund II”), Roxborough Fund III, L.P. (“Fund III”), and together with Fund II, each a “Flagship Fund”).

Roxborough may also, from time to time, establish, on a transaction-by-transaction basis, certain investment vehicles through which certain persons may invest alongside one or more Flagship Funds in a particular investment opportunity (each such vehicle, a “Co-Investment Vehicle”). Co-Investment Vehicles are typically limited to investing in the transaction with respect to which they were organized. As a general matter, each such Co-Investment Vehicle is contractually required, as a condition of its investment, to exit its investment in the particular investment opportunity at substantially the same time and on substantially the same terms as the applicable Flagship Fund(s) that are also invested in that investment opportunity.

Additionally, Roxborough may also organize and serve as general partner (or in an analogous capacity) to (i) alternative investment vehicles (each, an “Alternative Investment Vehicle”) organized to address, for example, specific tax, legal, business, accounting or regulatory-related matters that may arise in connection with a transaction or transactions and/or (ii) parallel investment entities that invest side-by-side with one or more of the Flagship Funds, generally on the basis of capital commitments (an “Parallel Fund”, and together with the Co-Investment Vehicles, Flagship Funds and Alternative Investment Vehicles, each a “Fund” and together the “Funds”). Each Fund is controlled by its general partner (each a “General Partner”) and invests in a number of underlying real estate related investments.

Roxborough provides investment advice directly to the Funds and not individually to their limited partners or other investors. Roxborough manages each Fund’s assets in accordance with the objectives and strategy as defined in each Fund’s governing documents (“Governing Fund Documents”). All terms are generally established at the time of a Fund’s formation and investors in a Fund (each, a “Limited Partner”) may not restrict the Fund’s investments except as indicated in the Governing Fund Documents.

Roxborough does not participate in wrap fee programs.

As of December 31, 2023, Roxborough had approximately \$645 Million in regulatory assets under management.

Item 5 – Fees and Compensation

As an SEC-registered adviser, we are not required to include a fee schedule in a brochure that is delivered only to qualified purchasers as defined in section 2(a)(51)(A). The terms for payment of management fees, carried interest distributions, any offsets, etc. are set forth in the Governing Fund Documents.

With regard to other fees and expenses, Roxborough and each General Partner bear their own overhead associated with each Fund's activities (including compensation of officers and employees of Roxborough and general office overhead). Each Fund (together with any parallel funds, allocated pro rata based on capital commitments) bear all expenses ("Organizational Expenses") incurred in connection with the organization of the Fund, each parallel fund, and their respective General Partners. Organizational Expenses paid by Fund III in excess of a certain predetermined amount set forth in the Fund III Limited Partnership Agreement will be offset on a dollar-for-dollar basis against the Management Fee.

Each Fund bears and is charged with all costs and expenses relating to the activities and operations of the Fund, including, but not limited to those defined as "Partnership Expenses in the applicable Fund's Limited Partnership Agreement. These may include: (i) all costs related to the Fund's operations, including (but, for the avoidance of doubt, not limited to) (A) costs, fees and other out-of-pocket expenses related to the investigation and evaluation of investment opportunities, whether or not consummated, and whether incurred before or after the formation of a Fund; (B) costs and expenses related to the acquisition including legal, regulatory, tax and/or compliance costs incurred in connection with structuring such acquisition), ownership, management, operation, development (including hard and soft costs), improvement, servicing, financing, refinancing, currency hedging costs, hedging of interest rates on financings, or sale or other disposition of Fund assets, including costs relating to property operations and services, such as for example direct application service costs (e.g., Nexus, MRI, etc.); (C) sales, leasing and brokerage commissions, entitlement costs, development fees, construction management fees, loan servicing fees, costs of tenant and capital improvements, custodial expenses and other costs incurred in connection with Fund Assets; (D) expenses associated with the organization, documentation and/or restructuring of any operating entities or special purpose vehicles (including with respect to obtaining preferred shareholders for any REIT Subsidiaries); (E) costs and expenses of meetings with or reporting to the Limited Partners (including any reports prepared upon the request of a Limited Partner and reasonable out-of-pocket costs and expenses incurred by such Limited Partner to attend in person meetings of the Limited Partners); (F) fees, costs and expenses for the following, whether, in each case as applicable, such fees, costs and expenses are charged for services performed by third parties or Roxborough affiliates (e.g., accounting and tax and compliance professionals): (1) accounting, bookkeeping, administration, auditing, Fund-related research, consulting, and legal services, (2) any reports, studies or other materials prepared by such third-parties, including, for example, environmental sustainability studies for the Fund's investments, (3) maintaining bank accounts or of any banks, custodians, depositories or administrators appointed for the monitoring and/or safekeeping of the Fund assets or other property of the Fund or any subsidiary, (4) costs to implement and maintain data sites and investor portals for Limited Partners, and (5) preparing and distributing financial statements, tax returns and reports and audits (including reports prepared upon the request of a Limited Partner) to the Partners; (G) costs and expenses of meetings of or reporting to any advisory board (including reasonable out-of-pocket costs and expenses incurred by members of an advisory board to attend in person meetings; (H) costs related to risk management services and insurance for a Fund, including insurance (which may include blanket insurance policies procured by Roxborough) to protect the Fund, the General Partner, Roxborough, the respective officers, directors, employees, partners, managers, and members of any of the foregoing, the Limited Partners and the members of an advisory board or the Limited Partners that have appointed such members of an advisory board in connection with the performance of activities related to the Fund; (I) costs relating to the Fund's indemnification obligations; (J) litigation expenses; (K) obligations

arising in connection with any borrowings of the Fund and its subsidiaries including legal expenses incurred in connection with the negotiation, incurrence and maintenance thereof; (L) expenses incurred in connection with dissolving and liquidating the Fund and any subsidiaries; (M) any taxes, fees or other governmental charges levied against the Fund or its subsidiaries and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund or its subsidiaries other than “imputed underpayments”; (N) travel costs associated with investigating and evaluating investment opportunities (whether or not consummated), or making, monitoring, managing or disposing of investments (provided that travel costs reimbursable by the Fund incurred in connection with flying shall not exceed the costs of a commercial flight); (O) travel costs and expenses incurred in connection with meeting with the existing Limited Partners to discuss the Fund’s investments, performance, and other Fund matters (provided that travel costs reimbursable by the Fund incurred in connection with flying shall not exceed the costs of a commercial flight); (P) all costs and expenses incurred by or on behalf of a Fund, including reasonable attorneys’ fees and disbursements, in connection with any direct or indirect transfer by a Limited Partner of its limited partnership interest in the Fund; (Q) expenses and costs incurred in connection with government and regulatory filings; (R) fees, costs and expenses for Fund administrative services performed by third-parties; (S) all costs and expenses incurred in connection with (i) any civic initiatives and real estate related charitable events; (ii) real estate and/or property related professional associations and organizations, (iii) real estate and/or property related private events and initiatives (*e.g.*, broker events, leasing and marketing initiatives, sporting events, etc.), (iv) conferences and (v) real estate industry events or informal meetings, that, in each case, are hosted, sponsored and/or attended by Roxborough professionals; (T) the costs of any third parties and, any Roxborough affiliates retained to provide services to the Fund or a subsidiary; (U) extraordinary expenses of a Fund arising from unforeseen circumstances as defined under GAAP; and (V) expenses related to a defaulting partner and any defaulting Fund partners of any parallel Funds; and (ii) all other costs and expenses not specifically provided for above that are incurred by the General Partner, Roxborough or any Roxborough affiliate in connection with forming or organizing any investment-specific subsidiary, operating or conducting the business of the Fund or its subsidiaries, or performing the duties of the General Partner.

Management Fees are payable quarterly in advance. Since investors are generally not permitted to withdraw or redeem their investment in a Fund prior to the dissolution of the Fund, refunds of Management Fees are not available to investors. In the event the advisory arrangement is terminated during a quarter, advisory fees that have been prepaid are generally returned on a prorated basis. Neither Roxborough nor any of its supervised persons receives any compensation from the sale of securities or other investment products.

Item 6 – Performance-Based Fees

As discussed in the Governing Fund Documents, Roxborough and/or the General Partners are entitled to receive performance-based fees pursuant to the Governing Fund Documents. Specifically, a portion of each Fund's net investment profit is allocated to the capital account of its General Partner as "carried interest."

Investment vehicles that are subject to performance-based compensation such as carried interest reward Roxborough for positive performance in those investment vehicles. Performance-based compensation arrangements such as carried interest allocations provide a heightened incentive for Roxborough to make investments that may present a greater potential for return but also a greater risk of loss or that may be more speculative than would exist if only asset-based fees were applied.

Roxborough manages multiple Funds with similar investment strategies on a side-by side basis. As a result of the foregoing, Roxborough and/or affiliate(s) have conflicts of interest in: (i) allocating time and activity among the multiple Funds; (ii) allocating investments among the multiple Funds; and (iii) effecting transactions among the multiple Funds, including ones in which Roxborough and/or affiliate(s) may have a greater financial interest. These conflicts of interest create an incentive for Roxborough to favor a Fund in which Roxborough and/or affiliate(s) have a greater financial interest with respect to allocation of time and activity, limited investment opportunities, or investments that Roxborough regards as more attractive or better performing investments. To address these conflicts of interest, Roxborough has implemented policies and procedures to ensure that all Funds receive equitable and fair treatment with respect to the allocation of investment opportunities.

The policies and procedures require Roxborough to at all times allocate investments among the Funds in a manner which it believes to be fair and equitable and prohibit Roxborough from basing an allocation decision on any of the following, or similar, reasons: (i) to generate higher fees paid by one Fund over another, or to produce greater fees to Roxborough or any of its affiliates; (ii) to develop a relationship with an existing or potential investor; (iii) to compensate an investor for past services or benefits rendered to Roxborough or any employee of Roxborough; or (iv) to induce future services or benefits to be rendered to Roxborough or any employee of Roxborough.

Item 7 – Types of Clients

Roxborough provides investment advisory services on a discretionary basis to the Funds, which are private pooled investment vehicles that focus on investing in real estate transactions.

Investors in a Fund are required to complete and submit a subscription agreement binding them to the terms of the Governing Fund Documents. In addition, as noted above under “Fees and Compensation,” a Fund may enter into Side Letters with one or more investors that have the effect of establishing or otherwise benefiting such investor in a manner more favorable than the rights and benefits under the applicable Governing Fund Documents. In addition, the Side Letters address laws, policies and procedures only applicable to specific investors and not all investors.

Investors are generally required to make certain representations when investing in a Fund, including, but not limited to, that (i) they are acquiring an interest for their own account; (ii) they received or had access to all information they deem relevant to evaluate the merits and risks of the prospective investment; and (iii) they have the ability to bear the economic risk of an investment in the Fund. Details concerning the applicable investor suitability criteria are set forth in the respective Governing Fund Documents and subscription materials, which are furnished to each prospective investor.

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

It is important for investors to know and remember that all investments carry risks. Investing involves risk of loss that clients should be prepared to bear.

A. Methods of Analysis and Investment Strategies

Roxborough manages pooled investment vehicles, the purpose of which is to invest in income-producing real estate. The investment objectives of the Company are to provide investors with capital appreciation and / or income by investing in real estate operating entities.

Investment Process

The Fund will be operated and governed in a manner intended to maximize returns for its investors while safeguarding their interests through the implementation of a sound investment process. Roxborough believes in a disciplined and fully integrated investment process that provides strong governance, risk management, and best practices reporting. The Company will adhere to a well-defined system for originating, analyzing, executing, and exiting each investment. The Fund III Investment Committee consists of Marc Perrin, Matthew McCormick, Chenxing Ferensen, Nicholas Breyer and Charles Neville. Any potential investment opportunity will undergo a thorough and exacting screening and due diligence process in order to ensure that only appropriate investments are included in the Fund.

Step 1: Initial Underwriting and Investment Committee Approval

The initial step in the process is to identify and screen potential opportunities to determine their suitability for the Fund. Key qualifiers at this stage include deal size, asset type, product quality, locational attributes, identification of the value-add potential, profitability potential, description of potential risks, and likely yield characteristics. As part of this process, Roxborough will implement a comprehensive, full-circle analysis of the external forces that may impact the performance of any investment opportunity. These forces would include key economic drivers such as regional and local GDP and job growth projections, market demographic trends, financial and geographic barriers to new competitive supply, the potential for new or enhanced public transportation options, corporate favorability climate impacting local business relocation decisions, and a micro-level submarket competitive property analysis. The Roxborough team will then work collaboratively to develop the strategic plan for the asset as well as to refine the underlying property-level assumptions and operating budget.

For any potential investment opportunity that meets the key qualifiers and is deemed to be a strong candidate for the Fund, a screening memorandum will be completed, detailing the opportunity for discussion at the Company's regularly scheduled weekly Acquisition/Investment Committee meeting.

As part of the Investment Committee's screening process, the investment will be reviewed in consideration of the opportunity's specific risk profile as well as its impact on the Fund's overall risk profile.

Step 2: Rigorous Due Diligence

If there is a majority vote by the Investment Committee to pursue the transaction, then Roxborough will submit a final offer to the seller and, if accepted, enter into full due diligence upon approval of a due diligence budget. Roxborough will employ a disciplined and thorough due diligence process that will include third-party reports, submarket and property analyses, financial underwriting, financing options, and risk management analyses. The due diligence process will incorporate both internal and external investigation reports. Internal efforts include, but are not limited to, in-person tenant interviews, a site visit by Mr. Perrin, and a lease review of all leases in effect at the property.

External due diligence will be conducted through the engagement of independent third-party consultants. Such consultants will include: (i) surveyors to complete an ALTA survey; (ii) attorneys to review all major

tenant leases as well as zoning, title and survey matters; (iii) an environmental firm to complete all necessary and required environmental studies; (iv) an engineer to complete a physical review of the property and systems; and (v) a financial firm to conduct a credit review of all major tenants.

Step 3: Investment Committee Final Approval

The results of the due diligence process will be compiled into a final investment memorandum and presented to the Investment Committee. In addition to results of the Company's due diligence, the final investment memorandum will include a description of the key investment rationale, strategic business plan, underwriting assumptions, estimated returns, potential risks and mitigating factors, property and location specifications, an outline of the opportunity identifying the specific value-add strategy, a rent roll with relevant information on major tenants, analysis of the current and projected submarket fundamentals, representative comparable leases and sales, a base case and downside case representing unlevered and levered return analyses, exit pricing sensitivities, and key issues for final due diligence. Exhibits will include locational maps, photographs of the property, and floor and site plans.

The Investment Committee will then meet to review, discuss, and vote on the final investment opportunity as outlined in the final investment memorandum. A majority affirmative vote by the Investment Committee, as well as an affirmative vote by Mr. Perrin is required to make a nonrefundable earnest money deposit and proceed with the acquisition of the property.

Investment Themes

Roxborough uses a proactive, top-down approach and focuses on the investment themes described below:

- Growth in the healthcare industry: Roxborough will seek areas where new hospitals are being built or expanding, driving demand for primarily multifamily but secondarily office, and industrial assets.
- Affordability and alternatives for tech companies: Roxborough will monitor and target markets that offer companies lower operating costs and expansion potential with deep existing talent pools.
- Investments around infrastructure and public transportation: Roxborough will target locations where the value of new infrastructure and public transportation improvements has yet to be recognized by the market.
- Longer term millennial needs: Roxborough will invest around suburban areas experiencing residential and office demand from millennials as they form families and move out of cities.
- Recapitalizing and purchasing distressed debt: Roxborough believes we are in the early stages of a market correction which will lead to distressed opportunities. Early signs of distress pricing are being seen in the hospitality and retail sectors as well in Mortgage REITS, debt fund assets and some CMBS.
- Affordable workforce housing: Lack of affordable rental housing has continued to be an issue in the U.S. as incomes haven't kept up with effective rents.
- Industrial park investments: Roxborough believes the shift from bricks and mortar to online retail will only accelerate as we come out of the Covid-19 pandemic and the economic crisis it is creating.
- Well located and often transit oriented suburban office product: Roxborough intends to pursue well located, often transit oriented, suburban office product in markets where urban and suburban rents have the largest spreads and potential for the highest risk adjusted returns.

- Urban Office: The recession should provide a better opportunity to buy in the major urban markets which often see the most demand coming out of a downturn and the fastest recovery.
- Hotels: Roxborough believes distressed hotel investments offer a unique blend of value-pricing and operating leverage that could generate outsized returns.

Risk of Loss

The investments pursued by Roxborough involve a high degree of uncertainty. The possibility of partial or total loss of capital will exist in connection with such strategies and investors should not invest unless they can readily bear the consequences of such loss.

All investments risk the loss of capital. No guarantee or representation is made that Roxborough will achieve its investment objective or that an investor will receive a return of its capital. In addition, there may be occasions when Roxborough and its affiliates may encounter potential conflicts of interest in connection with an investment. In evaluating whether to make an investment in Roxborough or its affiliates, potential investors should consider all information contained in the respective investment's operating documents. The following discussion is not a complete list of all potential risks. Rather, it is a select list of highlighted risks. The Governing Fund Documents provide a far more detailed list of risk factors, and potential investors should carefully review the Governing Fund Documents.

Risks Associated with the Fund's Investment Structure, Leverage and Investments

- *Investment Performance.* Funds will make investments based upon analyses of current returns and estimates and projections of future returns which may be available in potential investments. Limited Partners have no assurance that investments will yield the returns estimated or projected, or that a General Partner will be able to construct a portfolio which will allow it to attain the projections which are premised on an entire portfolio. Funds may not be successful in identifying suitable assets that meet its investment criteria or in consummating acquisitions of investments on satisfactory terms. Failures in identifying or consummating investments on satisfactory terms could reduce the number of investments that are completed and slow growth. In addition, subsequent to a Fund's acquisition of particular target investments, management may adjust targeted returns to reflect changes in market conditions. There can be no assurance that any Fund will make a profit on its investments or even be able to recover its invested capital during any anticipated period of time.
- *Uncertain Asset Valuation.* Certain actions by Roxborough or its affiliates, such as the sale of investments, may be based on their estimate of the value of the Fund's investments. Accordingly, Limited Partners will need to rely on the judgment of Roxborough for valuing Fund investments, both for financial statement purposes and in connection with disposing of such investments. A valuation is only an estimate of value and is not a precise measure of realizable value. Ultimate realization of the value of an asset depends to a great extent on economic and other conditions beyond the control of Roxborough. Further, valuations do not necessarily represent the price at which an investment would sell since market prices of investments can only be determined by negotiation between a willing buyer and seller. Accurate valuations are more difficult to obtain in times of market uncertainty (such as during the COVID-19 pandemic) and in time of low transaction volume because future cash flows and discount rates may be difficult to project and there are fewer market transactions that can be considered in the context of an appraisal. If a Fund were to liquidate a particular investment, then the realized value may be more than or less than Roxborough's valuation of such asset.
- *Fair Value Asset Valuation.* Investments will be presented in Fund financial statements on a "fair value basis." In the case of many of the investments, it is unlikely that readily available price quotations will exist. Accordingly, Limited Partners will need to rely on the judgment of the applicable General Partner for valuing and pricing the Fund's investments, both for financial statement purposes and in connection

with disposing of such investments. A valuation is only an estimate of value and is not a precise measure of realizable value. Ultimate realization of the value of an asset depends to a great extent on economic and other conditions beyond the control of the Fund. Further, valuations do not necessarily represent the price at which an investment would sell since market prices of investments can only be determined by negotiation between a willing buyer and seller. If the Fund were to liquidate a particular investment, then the realized value may be more than or less than the appraised valuation of such asset.

- *Possible Lack of Diversification.* While Roxborough intends to employ some degree of portfolio diversification as one of its risk management strategies, Funds are expected to participate in a limited number of investments and there can be no assurances concerning the diversification of a Fund's investments either by geographic region or asset type. Further, there can be no assurance that such diversification will be available on acceptable terms. To the extent a Fund concentrates its investments in certain geographic markets, adverse events or conditions affecting these markets in particular could have a more negative effect on the financial condition and operations of a Fund than if its investments were more geographically diverse and, as a consequence, aggregate return and performance may be substantially affected by the unforeseeable performance of even a single Fund investment or market in which a Fund investment is located. Similarly, a Fund's financial condition and results of operations could be adversely affected by conditions affecting specific property types. If a Fund makes an investment in a single transaction with the intent of financing, refinancing or selling a portion of such investment, there is a risk that the Fund will be unable to successfully complete such financing, refinancing or sale. This could lead to increased risk as a result of the Fund having an unintended long-term investment and reduced diversification. A limited degree of diversification increases risk because, as a consequence, the aggregate return of a Fund may be substantially adversely affected by the unfavorable performance of even a single investment. Portfolio diversification will decrease as the Fund's investments are divested.

- *Risks of Joint Venture Investments.* Funds may make investments through joint ventures or other entities with another person or entity (including third parties and funds, separate accounts or co-investment capital managed by Roxborough). Such investments may involve risks not present in investments where a co-investor is not involved, including diverging investment interests of the Fund and co-investor, dysfunctional management, increased costs, greater illiquidity, the possibility that a co-investor may have financial difficulties resulting in a negative impact on such investment, or may have economic or business interests or investment objectives which are inconsistent with those of the Fund. The joint venture agreement between the Fund and a co-investor may grant a co-investor veto powers with respect to major decisions concerning the management, financing or disposition of an investment, which could allow a co-investor to block an action, contrary to the Fund's investment objective, and could increase the risk of deadlocks that may adversely affect investment liquidity, values and returns. The Fund may be subject to various costs and fees relating to such ventures, including on occasion additional performance-based or asset-based fees or allocations that may be paid to third party operating partners. A Fund may bear or be responsible for more than its pro rata share (based on relative equity participation) of expenses, guarantees and/or recourse liabilities, including environmental and other "non-recourse carveout" or so-called "bad boy" liabilities. The Fund may hold a non-controlling interest in certain investments and, therefore, may have a limited ability to protect its position in such investments, although the General Partner expects to procure appropriate rights to protect the Fund's interests.

- *Long-Term Investment Horizon; Uncertain Timing for Asset Sales and Refinancings.* While Roxborough intends for certain investments to produce current income, it is possible that cash flow will occur only after the partial or complete financing, refinancing or sale of an investment, delaying the return to the investors. It is possible that a Fund may not encounter favorable financing, refinancing or sale terms for an investment, thereby reducing or eliminating any return.

- *Illiquidity of Investments.* The investments to be made are likely to be illiquid, and it is unlikely that there will be a public market for any of the investments held by a Fund. Funds generally will not be able to sell investments publicly. It is possible that the Fund may not encounter favorable disposition, financing or refinancing terms for its investments, thereby reducing its returns. No assurances can be given that all investments will be able to be liquidated prior to the scheduled expiration of the term of the Fund.

- *Contingent Liabilities on Disposition of Investments.* In connection with the disposition of a target investment prior to its maturity, a Fund may be required to make certain representations and warranties about such target investment. A Fund may also be required to indemnify the purchasers of such target investment in case any such representations and warranties are inaccurate. These arrangements may create contingent liabilities, for which the General Partner of such Fund may establish reserves or escrow accounts.

Leverage Risk

- *Risks of Leverage.* The Fund intends to employ leverage. The amount of borrowings which a Fund may have outstanding and/or to which its investments may be subject at any time may be large in relation to its capital, the then current value of its investments and/or its uncontributed commitments. Although the use of leverage may enhance returns, it will also substantially increase risk of loss. For example, under declining market conditions, a decline in the value of the collateral securing a mortgage loan could result in covenant breaches and defaults. Because borrowings may be cross collateralized, it is likely that a Fund could experience concurrent foreclosures of multiple financed assets, accompanied by attendant losses upon lender liquidations.
- *Credit Facility Leverage.* A Fund may obtain one or more credit facilities secured directly or indirectly by pledges of the partners' uncontributed commitments. A Fund may, from time to time, obtain additional financing through repurchase agreements, term debt or other secured or unsecured borrowings, in order to provide additional investment capital and enhance returns and may secure its obligations under such borrowings by pledging the applicable General Partner's right to call the Fund's uncontributed commitments to one or more lenders or granting a security interest in the Fund's target investment portfolio. If the Fund obtains a credit facility, it is generally expected that the Fund's interim capital needs would be satisfied through borrowings under such credit facility, and drawdowns, including those used to pay interest on credit facilities, would generally be expected to be "batched" together into larger, less frequent capital calls (although actual timing and amounts may vary). Since subscription credit facility borrowings are generally not repaid until Limited Partner commitments are called, the use of a credit facility by a Fund will defer the deployment of Limited Partner commitments and, consequently, the accrual of any preferred return on such Commitment. In certain instances the use of a credit facility may increase the net IRR shown for a Fund.
- *Risk of Bridge Financings.* A Fund may make an investment with the intent of financing or otherwise reducing the Fund's investment shortly after the closing of such investment. There can be no assurance in such instances that the Fund will be successful in completing such financings or other transactions designed to reduce or leverage the Fund's investment, or that the terms of such financings will be attractive when closed. If the Fund is unable to complete such an anticipated transaction, then its investments will be less diversified than intended.

Risks Associated with Investing in Real Estate

- *General Risks of Real Estate Investment.* All real estate investments, ranging from equity investments to debt investments, are subject to some degree of risk. For example, real estate investments are relatively illiquid and, therefore, will tend to limit the ability to vary a portfolio promptly in response to changes in economic or other conditions. No assurances can be given that the fair market value of any real estate investments held by a Fund will not decrease in the future or that a Fund will recognize full value for any investment that a Fund is required to sell for liquidity reasons. In addition, the ability of a Fund to realize anticipated rental and interest income on its equity and debt investments will depend, among other factors, on the financial reliability of its tenants and borrowers, the location and attractiveness of the properties in which it invests, the supply of comparable space in the areas in which its properties are located and general economic conditions. Other risks include changes in zoning, building, environmental and other governmental laws, changes in operating expenses, changes in real estate tax rates, changes in interest rates,

changes in the availability of property relative to demand, changes in costs and terms of mortgage funds, energy prices, changes in the relative popularity of properties, changes in the number of buyers and sellers of properties, the ongoing need for capital improvements, cash-flow risks, construction risks, as well as natural catastrophes, acts of war, terrorism, civil unrest, uninsurable losses and other factors beyond Roxborough's control. Additionally, a Fund may, in certain instances, be responsible for structural repairs, improvements and general maintenance of real property. The expenditure of any sums in connection therewith beyond those budgeted for by such Fund will reduce the cash available for distribution and may require the Fund to fund deficits resulting from the operation of a property. No assurance can be given that the Fund will have funds available to make such repairs or improvements. These factors and any others that would impede the Fund's ability to respond to adverse changes in the performance of its assets could significantly affect the Fund's financial condition and operating results.

- *Volatility of Property Income.* The volatility of operating income for a property also may be influenced by matters such as: the length of tenant leases; the creditworthiness of tenants; the level of tenant defaults; the ability to convert an unsuccessful property to an alternative use; new construction in the same market as the subject property; rent control laws or other laws impacting operating costs; the number and diversity of tenants; the availability of trained labor necessary for tenant operations; the rate at which new rentals occur; and the property's operating leverage (which is the percentage of total property expenses in relation to revenue), the ratio of fixed operating expenses to those that vary with revenues, and the level of capital expenditures required to maintain the property and to retain or replace tenants. A decline in the general economy and/or the real estate market or in the financial condition of a major tenant will tend to have a more immediate negative effect on the net operating income of properties with short-term revenue sources (such as short-term or month-to-month leases) and may lead to higher rates of delinquency or defaults under mortgage loans secured by such properties.

- *Increased Use of Business Related Technology and E-Commerce.* The increased use of teleconference and videoconference technology by businesses could result in decreased use of traditional office space as companies increase the use of technologies that allow multiple parties from different locations to participate at meetings without being present in a centralized meeting location. To the extent that such technologies play an increased role in day-to-day business, office space demand may decrease and a Fund's financial condition, results of operations and the value of its investments may be adversely affected. Additionally, the use of the internet by consumers continues to gain in popularity and the migration toward e-commerce is expected to continue. This increase in internet sales could result in a downturn in the business of expected retail tenants in their "brick and mortar" locations and could affect the way prospective tenants lease space. While Roxborough expects to devote considerable effort and resources to analyze and respond to tenant trends, preferences and consumer spending patterns, Roxborough cannot predict with certainty what future tenants will want, what future retail spaces will look like and how much revenue will be generated at traditional "bricks and mortar" locations. If the Fund is unable to anticipate and respond promptly to trends in the market because of the illiquid nature of real estate occupancy levels and financial results could suffer.

- *Environmental Risks of Real Estate.* Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real estate (which may include a lender in some instances) may be required to investigate and clean up any hazardous or toxic substances or petroleum product releases at such property and may be liable to a governmental entity or to third parties for property damage and for investigation and cleanup costs incurred by such parties in connection with contamination. These laws typically impose clean up responsibility and liability without regard to whether the owner knew of or caused the presence of the contaminants, and the liability under such laws has been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of responsibility. The cost of investigation, remediation or removal of such substances may be substantial, and the presence of such substances or the failure to properly remedy the contamination on such property may adversely affect the owner's ability to sell or rent such property or to borrow using such property as collateral. Persons who arrange for the disposal or treatment of hazardous or toxic substances or petroleum products at a disposal or treatment facility may also be liable for the costs of removal or remediation of a

release of hazardous or toxic substances or petroleum products at such disposal or treatment facility, whether or not the facility is owned or operated by such person. In certain circumstances, third-party lenders which have directed or had an active involvement in the environmental compliance activities or the day-to-day management of a borrower's facilities or which have taken possession of or title to such borrower's collateral may be liable for the costs of removal or remediation of a release of hazardous or toxic substances or petroleum products at the facility. In addition, some environmental laws create a lien on the contaminated site in favor of the government for damages and costs it incurs in connection with contamination. The owner of a site may also be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from a site. Also in connection with debt investments, the ability of the owner to make payments may be reduced, which in turn may also adversely affect the value of the relevant asset held by a Fund. Additionally, changes in environmental laws or in the environmental condition of an asset may create liabilities that did not exist at the time of acquisition and that could not have been foreseen.

- *Impact of Climate Change.* There is significant concern from members of the scientific community and the general public that an increase in global average temperatures due to emissions of greenhouse gases and other human activities have or will cause significant changes in weather patterns and increase the frequency and severity of climate stress events. Climate change, including the impact of global warming, creates physical and financial risk. Physical risks from climate change include an increase in sea level and changes in weather conditions, such as an increase in intense precipitation and extreme heat events, as well as tropical and non-tropical storms. The occurrence of one or more natural disasters, such as hurricanes, fires, floods, and earthquakes (whether or not caused by climate change), could cause considerable damage to one or more Fund properties, disrupt a Fund's operations and negatively impact returns. To the extent these events result in significant damage to one of more investment properties, operations and financial performance could be adversely affected. In addition, these events could result in significant expenses to restore or remediate a property, increases in fuel (or other energy) prices or a fuel shortage and increases in the costs of insurance if they result in significant loss of property or other insurable damage.

- *Litigation.* In the ordinary course of its business, Funds may be subject to litigation from time to time. The outcome of any such proceedings may materially adversely affect a Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of Roxborough's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation. Under the Governing Fund Documents, Funds will generally be responsible for indemnifying Roxborough and related parties for costs they may incur with respect to such litigation not covered by insurance.

Risks Associated with the Fund's Management and Operations

- *Reliance on Roxborough.* The Funds are managed exclusively by the applicable General Partner and Roxborough, and the Limited Partners will not have any right to participate in the management or business of the Fund in which they invest. Subject to the Governing Fund Documents, Roxborough and its affiliates determine the acquisition, management, financing, leasing, disposition and other investment-related policies of the Fund as well as the Fund's policies with respect to certain other activities, including the Fund's distributions and operating policies. These policies may be changed from time to time at the discretion of the General Partner without a vote of the Limited Partners. Any such changes could be detrimental to the operations of the Fund or the value of the Fund's assets.

- *Overlap of Roles.* The Fund is to be principally managed by Roxborough and its affiliates. Different entities and persons may be performing different roles and devoting different levels of attention to the Fund as compared to the involvement and contributions to the transactions described in their prior experiences.

Risks Associated with Partnership Issues

- *Lockup of Partnership Capital.* Fund interests are not redeemable, and by investing in a Fund, an investor is committing its capital for up to the entire life of the Fund. Limited Partners are not permitted to withdraw profits, gains or capital prior to the liquidation of the Fund.
- *No Market for Limited Partner Interests.* No Limited Partner may assign, pledge or grant a security interest in all or any portion of their interests in a Fund, or permit the transfer of direct or indirect ownership interests in itself which would have such effect without the prior written consent of the General Partner and exemption from registration under the securities laws. There is no public market for the interests, and none is expected to develop.
- *Indemnification.* Funds will be required to indemnify, to the fullest extent permitted by law, certain parties from and against all losses, liabilities, damages and expenses incurred by such parties as a result of any actions or omissions taken or omitted in connection with providing services to a Fund or any subsidiary or the performance of the party's duties or by reason of any action or omission taken or omitted on behalf of a Fund or any subsidiary of a Fund.
- *Liability for Return of Distributions.* If a Fund is otherwise unable to meet its obligations, then the Limited Partners will, under the Governing Fund Documents or applicable law, be obligated to return cash distributions with interest previously received by them if such distributions are deemed a return of their capital contributions or a wrongful payment to them. In addition, a Limited Partner will be liable under applicable federal bankruptcy or state insolvency laws to return distributions made during or prior to any period of insolvency. Subject to certain limitations, the Limited Partners will also be required to return amounts distributed to them to fund the Fund's expenses, including indemnity obligations.
- *Absence of Recourse to General Partner.* The applicable Limited Partnership Agreement for each Fund will limit the circumstances under which the General Partner can be held liable to the Fund. As a result, the Limited Partners will have a more limited right of action in certain cases than they would in the absence of such limitations.
- *Side Letters.* In accordance with common industry practice, Roxborough may enter into one or more side letters or similar agreements with certain Limited Partners pursuant to which such Limited Partner is granted specific rights, benefits or privileges that are not made available to Limited Partners generally. For example, a side letter may provide a Limited Partner with the right to receive additional reports or information about a Fund, a priority co-investment right, a reduction or rebate in Management Fees or Carried Interest, or other rights that may be negotiated between such limited partner and Roxborough. Side letters will be disclosed only to those actual or potential Limited Partners that have separately negotiated with the General Partner for the right to review such agreements.

Risks Associated with Markets and the Economy

- *Changes in Market Circumstances.* The Funds face risks attendant to changes in economic environments, changes in interest rates, instability in certain securities markets, changes in the relative valuations of its investments and changes in the availability of, and/or the general terms and conditions for, investment financing, among other factors – any one of which could adversely affect investment returns. In addition, major market disruptions could occur which could significantly impair the value of the portfolio. Investments in real estate and real estate-related entities are subject to various risks, including, for example, adverse changes in national and international economic and geopolitical conditions, local market conditions and the financial conditions of tenants; changes in the number of buyers and sellers of properties; increases in the availability of supply of property relative to demand; changes in availability of financing; increases in interest rates, real estate tax rates, energy prices, and other operating expenses; changes in environmental laws and regulations, zoning laws and other governmental rules and policies; changes in the relative popularity of properties; risks due to dependence on cash flow; risks and operating problems arising out of the presence of certain construction materials, as well as acts of God, uninsurable losses and other factors which are beyond the control of Roxborough. In addition, real estate is subject to long-term cyclical trends

that give rise to significant volatility in real estate values. Many of the factors which could affect the performance of a Fund or its properties will be beyond the control of Roxborough and the Fund. While the U.S. economy has begun a recovery from the Great Recession, there can be no assurance as to whether any such recovery will persist or whether economic conditions may deteriorate. Recent events may indicate that recovery from the Great Recession may be more prolonged or that the U.S. risks entering into a double-dip recession, which could adversely affect the Fund's operating results and ability to implement its business strategy.

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Item 9 – Disciplinary Information

Form ADV Part 2 requires investment advisors such as Roxborough to disclose legal or disciplinary events involving the company or our partners, officers, or principals that are material to your evaluation of our advisory business or the integrity of our management. We have no information to report that is applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

Roxborough is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of Roxborough are registered representatives of a broker-dealer.

Neither Roxborough nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Affiliates of Roxborough serve as general partner or in a similar capacity. For a description of the conflicts of interest created by the relationship among Roxborough and the General Partners, see “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” below.

Roxborough 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

Roxborough has adopted a written Code of Ethics (the “Code”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Advisers Act. The Code includes topics such as: (i) basic standards of conduct for personnel and Roxborough, including maintaining full compliance with federal securities laws; (ii) managing actual and potential conflicts of interest; (iii) affiliated transactions, joint investments, allocation, and the role of the advisory committee in applicable contexts; (iv) illegal insider trading and misuse of client confidential information; (v) gift policies; and (vi) compliance with custody, advertising, recordkeeping, and disclosure obligations. The Code contains policies and procedures that ensure that all personal securities trading by employees of Roxborough is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. Roxborough requires pre-clearance of personal trades in purchases of an initial public offering or “IPO” or a new private placement; requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

While Roxborough very rarely has access to non-public information relating to public companies, as part of its Code, Roxborough has established procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because Roxborough's structure would make information barriers impractical, the company has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, all professionals are deemed to be in receipt of material, non-public information, in all instances where any Roxborough professional has received material, non-public information, and, therefore, may not trade on the basis of that information. All professionals are required to promptly report receipt of material, non-public information to the Chief Compliance Officer.

Roxborough will provide a copy of the Code to any investor or prospective investor upon request.

Affiliates of Roxborough serve as the General Partners of the Funds. Roxborough and the General Partners have financial ownership interests in the Funds and receive a Management Fee and Carried Interest for their services. The fact that Roxborough and its affiliates (including the General Partners) and principals have a financial ownership interest in the Funds creates a potential conflict in that it could cause Roxborough to make different investment decisions than if such parties did not have such a financial ownership interest. The Management Fee is payable without regard to the overall success or income earned by the Funds and therefore creates an incentive on the part of Roxborough to raise or otherwise increase assets under management to a higher level than would be the case if Roxborough were receiving a lower or no Management Fee. The Carried Interest creates an incentive for Roxborough to make investments that are riskier or more speculative (or less risky and less speculative) than in the absence of such a Carried Interest. However, Roxborough believes that the meaningful personal investments of the principal in the Funds, as well as the Carried Interest, operate to align, to some extent, the interest of Roxborough's professionals with the interest of the Funds. In addition, as noted above, Roxborough has implemented the Code which governs the conduct of its employees. The Code requires Roxborough's employees to place the interests of the Funds over their own or those of Roxborough.

A Fund may invest together with other Funds advised by Roxborough in the manner set forth in the applicable Governing Fund Documents, including other Funds in which Roxborough professionals have committed capital (see above). Roxborough will allocate investment opportunities or advisory recommendations on a fair and equitable basis, consistent with its fiduciary obligations, the Governing Fund Documents for the relevant Fund and Roxborough's investment allocation policy. In addition, Roxborough may, in its sole discretion, provide or commit to provide co-investment opportunities to one or more investors and/or other persons, in each case on terms to be determined by Roxborough in its sole discretion. Conflicts of interest may arise in the allocation such co-investment opportunities. For each such

co-investment offer, the investment committee of the applicable Fund will generally determine, in good faith, that the allocation between the applicable Fund and any co-investment partner(s) is in the Fund's best interest. In exercising its sole discretion in connection with such co-investment opportunities, Roxborough may consider some or all of a wide range of factors, which may include the likelihood that an investor may invest in a future Fund sponsored by Roxborough or its affiliates.

Conflicts of Interest

(i) Co-Investments

From time to time, Roxborough offers to one or more persons (which may include, in Roxborough's sole discretion, one or more investors, Roxborough affiliates or commingled funds, accounts, programs or investment vehicles managed by a Roxborough affiliate) the opportunity to co-invest with a Fund in investment opportunities. Co-investment opportunities offered to investors will be allocated as determined by Roxborough in their discretion, and there is no guarantee for any investor that it will be offered co-investment opportunities. As a general matter, Roxborough, in determining the allocation of co-investment opportunities, generally expect to take into account various facts and circumstances deemed relevant by Roxborough, including among others, whether a potential co-investor has expressed interest in evaluating co-investment opportunities, whether a potential co-investor has a history of participating in co-investment opportunities, the size of the potential co-investor's interest to be held in the underlying portfolio company as a result of the applicable Fund's investment (which is likely to be based on the size of the potential investor's capital commitment and/or investment in the applicable Fund), and such other factors that Roxborough deems relevant under the circumstances.

In such circumstances, the size of the investment opportunity otherwise available to the Fund will be less than it would otherwise have been. Certain co-investments with a Fund may be on different (and more favorable) terms (including, for example, management fees, performance-based fees, carried interest, use of leverage and control rights) than those applicable to the Fund and may have interests or requirements that conflict with and adversely impact a Fund (for example, with respect to their liquidity requirements, available capital, the timing of acquisitions, disposals, control rights, or discretion with respect to whether to make the investment in the first instance). In addition, the Fund may not be in a position to unilaterally control an opportunity or exercise certain rights associated with the Fund's interest in an opportunity. If a co-investing party removes its general partner or manager or terminates prior to the Fund, the ability of the Fund to exercise certain rights associated with its interest in an opportunity may require the cooperation of a successor general partner/manager or other persons. Potential conflicts may be inherent in, or arise from, Roxborough's discretion in determining when to make such opportunities available. In addition, once such co-investments are made, the Fund's interests and those of the co-investors may subsequently diverge as market conditions shift or other opportunities become available.

Co-investment fees realized by Roxborough and the costs that the co-investor bears, including the extent to which a co-investor would share in any broken deal costs, are negotiated by Roxborough on a case-by-case basis. This may result in the Funds bearing all such broken-deal costs.

(ii) Side Letters

Roxborough and its affiliates reserve the right to enter into side letters or similar agreement (“Side Letters”) with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights.

More specifically, each General Partner may enter into a Side Letter with a particular investor with respect to a Fund without the approval or vote of any other investor, which would have the effect of establishing rights under, altering or supplementing the terms of the Governing Fund Documents with respect to such investor in a manner more favorable to such investor than those applicable to other investors in such Fund. Such rights or terms in any such side letter or other similar agreement may include, in addition to those referenced above and without limitation, (1) excuse rights applicable to particular investments (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such investments), (2) reporting obligations of the General Partner, (3) waiver of certain confidentiality obligations, (4) consent of the General Partner to certain transfers by such investor or other exercises by the General Partner of their discretionary authority under the Governing Fund Documents for the benefit of such investor, (5) restrictions on, or special rights of, such investor with respect to the activities of the investor, (6) withdrawal rights due to legal, tax, regulatory or policy matters, including matters related to political contributions, gifts and other such policies, (7) other rights or terms necessary in light of particular legal, regulatory or public policy characteristics of an investor, (8) additional obligations and restrictions of the Funds with respect to the structuring of any investment (including with respect to alternative investment vehicles), and (9) certain adjustments with respect to certain economic provisions. A General Partner has entered into side letters regarding the allocation of co-investments. Costs of meeting requirements in a Side Letter or other similar agreement will generally be treated as a Fund expense and thus will be borne by investors, including those investors who are not beneficiaries of such provisions.

(iii) Differing Limited Partner Group and Conflicting Interests.

The Limited Partners may have conflicting investment, tax and other interests with respect to their investments. The conflicting interests of Limited Partners may relate to or arise from, among other matters, the acquisition or structuring of Fund investments and the timing and disposition of such investments. As a consequence, conflicts of interest may arise in connection with decisions made by Roxborough that may be more beneficial for one investor than for another investor, for example, with respect to Limited Partners’ individual tax situations. In addition, a Fund may make investments which may have a negative impact on related or unrelated investments made by Limited Partners in transactions outside of a Fund. In selecting and structuring investments appropriate for a Fund, Roxborough will generally consider the investment and tax objectives of the Fund and the Limited Partners as a group, not the investment, tax or other objectives of any Limited Partner individually. Costs and expenses, including pursuit costs and broken-deal expenses, may be borne disproportionately or entirely by a Fund. In addition, certain Limited Partners may have internal policies which Roxborough may in its sole discretion agree to take into account when causing a Fund to pursue, acquire, finance and dispose of investments, including, for example, sustainability and environmental policies, responsible contractor, wage and employment policies and other policies which may conflict at times with the immediate short term economic returns.

(iv) Fees to Roxborough Affiliates.

The Fund and its subsidiaries may retain affiliates of Roxborough (“Roxborough Affiliates”) to perform certain services, including property management, construction management, leasing or other service provider arrangements. The Governing Fund Documents provide that, with the approval of the Advisory Board, Roxborough Affiliates may be retained to provide (and be compensated for providing) such services to the Fund so long as the Fund is charged market rate fees, as approved by the Advisory Board, for such services. Such fees, reimbursements and terms were not negotiated as between the Fund and such affiliates on an arm’s-length basis and may not reflect the amounts an unaffiliated third party would charge for comparable services. Roxborough expresses no view of how such fees, reimbursements and terms compare to the relevant markets; potential investors in the Fund must review such fees, reimbursements and terms and form their own independent view thereof. The fee potential, both current and future, inherent in a particular transaction could be an incentive for Roxborough to seek to refer or recommend a transaction to the Fund. The fees for such services are paid by the Fund, and conflicts may arise as such fees that the Fund must pay will not be shared with the Limited Partners or the Fund, and are in addition to and do not offset the Management Fee. Notwithstanding such retention, certain elements of the services and performance thereof may then be sub-contracted to third parties in whole or in part.

(v) Advisory Board.

Roxborough may in certain situations choose to seek the approval of the members of the Advisory Board using established guidelines with respect to potential conflict of interest situations and Advisory Board approval will be required to resolve certain conflicts and other matters set forth in the Governing Fund Documents. Any such approval by the Advisory Board will be binding upon the Fund and its Limited Partners. In addition, if the Advisory Board gives such approval or Roxborough acts pursuant to standards or procedures approved by the Advisory Board with respect to such conflict of interest or other matter, then none of Roxborough or any Roxborough Affiliates shall have any liability to the Fund or any of its investors for actions in respect of such matter, unless it is determined that such action was taken in bad faith by them, including actions in the pursuit of their own interests. Members of the Advisory Board may have direct or indirect interests in the activities of Roxborough or in investments and instruments, in some cases similar to those in which the Fund seeks to invest. A member may be under no obligation to act in the best interests of the Fund as a whole and may act only in the best interests of the Limited Partner(s) with which such member is affiliated. This may result in potential conflicts of interest. In addition, Advisory Board members may receive information regarding the proposed investment activities of the Fund that is not generally available to the public or other Limited Partners. There will be no obligation on the part of any member to make available for use by the Fund any information or strategies known to or developed by it and, in certain cases, they may be prohibited from doing so.

Item 12 – Brokerage Practices

Roxborough does not often deal with any financial intermediary such as a broker-dealer, and commissions are not often payable in connection with such investments because the Funds' investment strategy does not focus on the acquisition of public securities. To the limited extent that Roxborough transacts in public securities for the Funds, Roxborough intends to follow the brokerage practices described below.

If Roxborough transacts in publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to affect such securities transactions. In such event, Roxborough will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Roxborough will consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; (iv) gross compensation paid to the broker; and (v) the financial strength of the broker.

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

In addition, Roxborough receives ancillary benefits from real estate brokers used by Roxborough for the Funds' non-securities transactions, such as the purchase or sale of real estate property. Such benefits include research services, introductions to sellers, buyers, lenders and other service providers, underwriting services, and such other services typically provided by real estate brokers to their clients. Roxborough does not select real estate brokers based on the potential to receive any ancillary benefits and does not cause any Fund to pay a higher commission than those charged by other real estate brokers in return for these benefits.

To the extent that Roxborough transacts in public securities for the Funds, Roxborough may aggregate transactions among the Funds when expected to be in the best interest of all participants and in compliance with the applicable Funds' Governing Fund Documents. If and when applicable, Roxborough will allocate aggregated transactions in accordance with the applicable Funds' Governing Fund Documents and on terms and conditions that are substantially the same, unless specific legal, tax, regulatory or other restrictions apply.

Item 13 – Review of Accounts

Roxborough maintains comprehensive review procedures for the ongoing monitoring of portfolio investments. Roxborough's Investment Committee has an ongoing responsibility to analyze the entire portfolio for risk and compliance with the Fund's investment objectives.

Annually, Fund investors generally receive the following written reports: (i) audited financial statements for the applicable Fund prepared in accordance with U.S. generally accepted accounting principles; (ii) tax information necessary for the completion of tax returns; (iii) descriptive investment and valuation information for the applicable Fund's investments; (iv) a capital account statement; and (v) other information in accordance with the applicable Governing Fund Documents. In addition, on a quarterly basis, investors generally receive (i) unaudited quarterly financial statements prepared in accordance with U.S. generally accepted accounting principles; (ii) a balance sheet and schedule of Fund investments; (iii) a capital account statement; (iv) valuation of the assets of the Fund that have been held, directly or indirectly, by the Fund for at least one year; and (v) other information in accordance with the applicable Governing Fund Documents.

Item 14 – Client Referrals and Other Compensation

As discussed in “Fees and Compensation” above, Roxborough and its affiliates receives certain fees in connection with the Fund’s investments. As described in the applicable Fund’s Governing Fund Documents, the Management Fee payable by a Fund will generally not be reduced due to the receipt of any of these additional fees.

In connection with organizing and offering interests in the Funds, Roxborough has from time to time and may in the future continue to enter into agreements with certain placement agents that provide for compensation to be paid to the placement agents for referring investors to the Funds. Such placement agents have received and may continue to receive placement fees (typically a percentage of the capital commitments attributable to each investor referred). The fees due to such placement agents have been and will continue to be the obligation of Roxborough and its affiliates and will not be charged to or borne by the Funds.

Item 15 – Custody

Roxborough has “custody” within the meaning of Rule 206(4)-2 of the Advisers Act (the “Custody Rule”) of the assets of the Funds because Roxborough is under common control with the General Partner of each Fund and each General Partner has access to the assets of the applicable Fund. As required by the Custody Rule, all cash and securities of the Funds are held by qualified custodians with the exception of securities that are considered to be “privately offered securities” under Rule 206(4)-2(b). Roxborough generally complies with the Custody Rule by preparing and delivering to investors in each Fund within 120 days of each Fund’s fiscal year end annual financial statements audited by an independent public accounting firm. Fund investors are urged to carefully review such statements.

Item 16 – Investment Discretion

Roxborough exercises its discretion in managing the investments of each Fund subject to the Fund's particular investment objectives, policies, and strategies disclosed in its Governing Fund Documents. In connection with this discretionary authority, Roxborough selects portfolio investments for each Fund. The basis for Roxborough's discretionary authority is found in the management agreement entered into with the General Partner of each Fund and/or other Governing Fund Documents.

Item 17 – Voting Client Securities

Roxborough accepts the authority to vote client securities on behalf of the Funds. Roxborough's authority to vote client securities on behalf of any future separately managed accounts will be as set forth in the relevant Governing Fund Documents.

Roxborough generally does not expect to be called upon to vote with respect to traditional proxies since the Funds' investment strategy generally involves acquiring direct real estate property investments and real estate operating entities. In addition to proxy solicitation in connection with equity securities of traditional operating companies, however, we consider "voting client securities" to include any consent requested in matters such as amendments, consents or resolutions applicable to investments held by the Funds.

Roxborough has adopted policies and procedures related to voting client securities on behalf of the Funds. When Roxborough accepts authority to vote client securities, Roxborough's general policy is to vote proposals, as well as amendments, consents or resolutions relating to client securities (including interests in private investment funds, if any) in a manner that serves the best interests of its client. In determining how to vote such securities, Roxborough may take into account factors such as: (1) the impact on the value of the investments; (2) the anticipated associated costs and benefits; (3) the continued or increased availability of client information; and (4) industry and business practices. In some circumstances, Roxborough will refrain from voting client securities where Roxborough believes, among other potential reasons, that voting would be inappropriate, taking into consideration the cost of voting the securities, the anticipated benefit to the Funds, whether the Funds continues to hold the securities on the voting date, or where Roxborough believes that resolution is not relevant to the value of the investment. It is possible for conflicts of interest to arise in the context of Roxborough's voting of client securities. However, if an actual conflict of interest with respect to voting arises, the Chief Compliance Officer/General Counsel, together with external legal counsel, if necessary, would be involved in the process for the particular vote to help manage and mitigate any such conflicts of interest. Funds and investors can obtain a copy of Roxborough's policies and procedures regarding the voting of client securities and information as to how Roxborough votes client securities upon request.

Item 18 – Financial Information

This item is not applicable.