



## **JVP Management, LLC**

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Form ADV, Part 2A  
Disclosure Brochure

March 28, 2024

**This brochure provides information about the qualifications and business practices of JVP Management, LLC (the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at 214.392.5737. 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. That the Adviser is registered is not intended to, and does not, imply a certain level of skill. Additional information about JVP Management, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

### **Important Note about this Brochure**

This Brochure is not:

- an offer or agreement to provide advisory services to any person;
- an offer to sell interests (or a solicitation of an offer to purchase interests) in any investment vehicle; or
- a complete discussion of the features, risks or conflicts associated with any investment vehicle or advisory service.

As required by the Investment Advisers Act of 1940, as amended (“Advisers Act”), JVP Management, LLC provides this Brochure to current and prospective clients and may also, in its discretion, provide this Brochure to current or prospective investors in an investment vehicle, together with other relevant documents, such as the investment vehicle’s offering or private placement memorandum, organizational documents and related transaction documents, as applicable, prior to, or in connection with, such persons’ investment in a private fund. Additionally, this Brochure is available through the SEC’s Investment Adviser Public Disclosure website.

Although this publicly available Brochure describes investment advisory services and products of the Adviser, persons who receive this Brochure (whether or not from the Adviser) should be aware that it is designed solely to provide information about the Adviser as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant documents. More complete information about each investment vehicle is included in relevant documents, certain of which may be provided to current and eligible prospective investors only by the Adviser or its affiliates. To the extent that there is any conflict between discussions herein and similar or related discussions in any applicable relevant documents, such relevant documents shall govern and control.

**Item 2. Material Changes**

The Adviser filed its most recent other-than-annual Form ADV on February 2, 2024. This annual amendment to its Form ADV includes changes in descriptions of certain risk factors, the Adviser's business practices and advisory services applicable to its business. Other changes have been made to this Brochure, some of which enhance existing disclosures, but we do not consider these changes to be material. It is important that the Form ADV is read in its entirety to fully understand the changes in business operations and disclosures made within.

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#### **Item 4. Advisory Business**

The Adviser is an investment adviser with its principal place of business in New York, New York. The Adviser commenced operations on September 30, 2014. The principals of the Adviser are John Illuzzi and Van Nguyen.

The Adviser provides real estate-related investment advisory services on a discretionary basis to pooled investment vehicles and separately managed accounts and serves as discretionary sub-adviser to an insurance dedicated fund, managed by SALI Fund Services (referred to herein as “Clients.” collectively, and each a “Client”). The Clients were established to invest primarily in, (i) real estate credit, which includes performing, sub-performing, re-performing or non-performing loans and other private credit assets, comprised of commercial and residential mortgage loans, and/or servicing or similar rights relating to such loans and other assets; and/or securitizations and other asset-backed securities backed by real estate assets, including commercial mortgage-backed securities and/or collateralized loan obligations; or (ii) real estate equity, which includes acquiring, developing, redeveloping, repositioning, owning, operating, managing, financing and disposing of commercial real estate and multifamily assets. The insurance dedicated fund invests a substantial portion of its assets into the pooled investment vehicles sponsored by the Adviser (or an affiliate of the Adviser).

The Adviser provides investment advice directly to each Client pursuant to discretionary investment management agreements or operating agreements, subject to the direction and control of the general partner or managing member of the Client, which is affiliated with the Advisor. Any restrictions on the types of investments that the Adviser makes for a Client are established by its general partner or managing member and are set forth in the Client’s confidential offering memorandum, limited partnership agreement, operating agreement or similar. Once an investor has invested in a Client, the investor is not permitted to impose restrictions on the types of investments in which the Client may invest. However, in accordance with common industry practice, a Client or its general partner or managing member may from time to time enter into a “side letter” or similar agreement with an investor pursuant to which the Client or its general partner or managing member grants the investor specific rights, benefits, or privileges that are not generally made available to all investors. See “Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss” below for more details.

The Adviser does not participate in wrap fee programs.

As of December 31, 2023, the Adviser had approximately \$ 2,790,088,308 of regulatory assets under management, all of which were managed on a discretionary basis.

## **Item 5. Fees and Compensation**

### *Management Fee and Performance-Based Compensation.*

The management fee and performance-based compensation and the details of how the amounts are calculated for each Client are described in the Client's governing document (the "Governing Document").

The Clients generally will pay to the Adviser a management fee (the "Management Fee") ranging from 0.50% to 1.5% of the capital contributions or net invested capital of the Client. Management Fees may be paid monthly or quarterly, and in arrears or in advance, depending on the terms of the specific Client's Governing Documents. The Adviser generally deducts management fees directly from Client assets and, accordingly, from the capital accounts of the Client's investors. The sub-advisory fees are paid by the investment manager of the insurance dedicated fund. In some cases, the Adviser may, in its sole and absolute discretion, waive, reduce, or delay payment of management fees related to any fiscal quarter or month. Affiliates or related persons that invest in a Client generally pay reduced or no management fees.

The Management Fee will be reduced by 100% of all transaction fees received by the general partner or managing member, the Adviser or their respective affiliates with respect to the Clients and their investments. Transaction fees include any: (i) directors' fees, financial consulting fees or advisory fees; (ii) transaction fees, arrangement fees, origination fees, structuring fees, commitment fees, consent fees, amendment fees, closing fees, syndication fees and financing fees; and (iii) break-up fees with respect to Client transactions not completed, in each case net of certain expenses (including all unreimbursed costs and expenses incurred by the general partner or managing member in connection with any consummated or unconsummated transaction or in connection with generating any such transaction fees) as set forth in the Governing Documents; but not including, in any event, any amount received by the general partner or managing member, the Adviser or their respective affiliates from or with respect to an investment (a) as reimbursement for expenses directly related to such investment, (b) as payment for services provided to any investment in the ordinary course of such investment's business, (c) as compensation for services provided by the general partner or managing member or other person as an employee of or in a similar capacity for such investment or (d) any compensation paid to an affiliate of the general partner or managing member or other Person with respect to the functions and services described in "Other Services" below.

To the extent that any other Client or any other entity or individual co-invests alongside a Client in any investment, any transaction fees will be allocated among the Client and such other Client or other entity or individual co-investor in proportion to the cost of the investment or potential investment held (or committed to be held) by each.

The Adviser (or an affiliate of the Adviser) generally will be paid performance-based compensation by the Client, which is compensation that is based on the internal rate of return on a deal-by-deal basis. Performance-based compensation is generally subject to certain conditions set forth in the Governing Documents of each Client, such as the prior return of capital to investors and/or payment of a preferred return to investors. This compensation ranges from 10% to 30%.

For certain Clients, the Adviser (or an affiliate of the Adviser) may be eligible to receive acquisition fees in connection with Client transactions. in an amount equal to the difference between (i) one percent (1%) of the Client's share of the effective gross purchase price of the asset and (ii) the acquisition fee paid to a third party.

#### *Other Services.*

The general partner or managing member's affiliates or third parties in which affiliates of the general partner or managing member have economic interests may provide functions or services that would otherwise be performed for the Clients by third parties, including (i) accounting, legal, reporting, architectural, engineering and other functions, and/or (ii) services with respect to Client investments and related properties (including title, property management, brokerage, financing, underwriting, loan administration, loan servicing, leasing, development, insurance, security, construction management, monitoring, asset management, disposition and other real estate-related services), including reimbursement of "employment costs" and related overhead expenses allocated thereto as determined by the general partner or managing member; provided that any fees payable shall not exceed the amount that would be otherwise payable by the Clients if such functions or services were provided by third parties on an arms' length basis, unless otherwise consented to by the respective Advisory Committee.

Principals of the Adviser have an economic interest in a title insurance agency that has, and may in the future, provide title insurance products and services to advisory Clients; however, any such fees assessed to the Clients will be at market rates. This ownership interest may generate additional compensation for the Principals.

#### *Expenses.*

Clients will generally be responsible for all organizational and startup expenses (as further set forth in the respective Governing Documents) ("Organizational Expenses"), including (without limitation) expenses relating to travel (including non-commercial aircraft and ground transportation, meals, entertainment and accommodations, printing, legal, any depositary, capital raising, accounting, tax, consulting, regulatory compliance, any administrative or other filings, other organizational expenses, and any of the foregoing expenses incurred by any placement agent for the Client). In certain Clients, the general partner or managing member will bear the cost (through a reduction of the Management Fee or otherwise) of (i) all Organizational Expenses in excess of 0.35% of combined commitments (as of the Final Closing) and (ii) any placement fees payable to any placement agent ("Placement Fees") in connection with the formation of the Client.

Clients will also generally be responsible for paying, or reimbursing the general partner or managing member and its affiliates for, all other fees, costs, expenses, liabilities and obligations relating to the Client and/or its activities, business, subsidiaries or actual or potential investments (to the extent not borne or reimbursed by a subsidiary or an investment or potential investment), including all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to the originating, sourcing, structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding,

hedging, restructuring, leasing, servicing, developing (including costs and expenses of tenant and capital improvement), selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, subsidiaries and the Client's actual and potential investments (including follow-on investments), in connection with the REIT subsidiary (including fees, costs and expenses attributable to qualifying the REIT subsidiary as a REIT and maintaining such qualification), or in seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, architects, engineers, compliance professionals, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith (including allocable compensation of in-house service providers) and any fees, expenses and/or compensation related to transactions that were or may have been offered to co-investors or pursued with joint venture partners), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (ii) indebtedness of, or guarantees made by, the Client, the Adviser, the general partner or managing member or any affiliate on behalf of the Client (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (v) brokerage, sale, custodial, depository, trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with the Client's third-party administrator and administration or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), real estate title, survey, hedging, consulting (including consulting and retainer fees and other compensation paid to consultants performing investment initiatives and other similar consultants), tax and other professional services; (vii) property management, leasing, construction management, development, environmental, brokerage, sales agents and other services; (viii) reverse breakup, termination and other similar fees (it being understood that the Client may, as determined by the general partner or managing member, also bear reverse breakup, termination and other similar fees of any co-investors investing alongside the Client); (ix) directors and officers liability, errors and omissions liability, crime coverage, property and casualty and general partnership liability premiums and other insurance and regulatory expenses; (x) filing, title, transfer, registration and other similar fees and expenses; (xi) printing, communications, marketing and publicity; (xii) the preparation, distribution or filing of Client-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports (including Form PF, Form SHLA, Form BE and/or other regulatory filings of the general partner or managing member, the Adviser and their respective affiliates relating to the Client's activities), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xiii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Client or the limited partners or investors; (xiv) any activities with respect to protecting the confidential or non-public nature of any information or data; (xv) to the extent provided in the Governing Documents or otherwise approved by the general partner or managing member in its sole discretion, activities or proceedings of the Advisory Committee (including any reasonable out-of-pocket costs and expenses incurred by representatives of the general partner or managing member, the Advisory



Committee members, permitted observers and other persons in attending or otherwise participating in meetings of the Advisory Committee); (xvi) indemnification (including any fees, costs and expenses incurred in connection with indemnifying any partner or other person or entity pursuant to the Governing Documents and advancing fees, costs and expenses incurred by any such person or entity in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Governing Documents), except as otherwise set forth in the Governing Documents; (xvii) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith or any foreclosure, receivership or other workout; (xviii) any annual limited partner or investor meeting or other periodic, if any, meetings of the limited partners or investors and any other conference or meeting with any limited partner(s) or investor(s), in each case to the extent incurred by the Client, the general partner or managing member or any other affiliate of the general partner or managing member; (xix) except as otherwise determined by the general partner or managing member in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, subsidiaries or actual or potential investments (to the extent not borne or reimbursed by a subsidiary or investment of such alternative investment vehicle) that would be a Client expense if it were incurred in connection with the Client; (xx) the termination, liquidation, winding up or dissolution of the Client and any of its constituent vehicles; (xxi) defaults by partners in the payment of any capital contributions; (xxii) amendments, restatements or other modifications to, and waivers, consents or approvals pursuant to, the Governing Documents, the investment management agreement, side letters or similar agreements with limited partners or investors (including “most favored nations” provisions) and any other constituent or related documents of the Client, the general partner or managing member and related entities and any alternative investment vehicle, including the preparation, distribution and implementation thereof; (xxiii) (A) complying with any law or regulation related to the activities of the Client (including regulatory expenses of the general partner incurred in connection with the operation of the Client and legal fees and expenses) and/or (B) any litigation or governmental inquiry, investigation or proceeding involving the Client; (xxiv) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer of interests (and admission of a substitute partner) as contemplated by the Governing Documents; (xxv) any taxes, fees and other governmental charges levied against the Client and all expenses incurred in connection with any tax audit, investigation settlement or review of the Client (other than investor related taxes); (xxvi) distributions to the partners and other expenses associated with the acquisition, holding and disposition of the Client’s investments, including extraordinary expenses; (xxvii) compliance or regulatory matters related to the Client, except as set forth in the Governing Documents; (xxviii) any travel (including the cost of using private aircraft or other private air travel at a cost above the cost of first class commercial airfare), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxix) all costs and expenses associated with operating a feeder vehicle which invests all or substantially all of its assets in the Client to the extent not paid by the investors investing in such entities, including all expenses associated with its formation, management, operation, winding-up, liquidating and dissolution and with preparing and distributing such feeder vehicle’s financial statements, tax returns and feeder vehicle limited partner or investor reports, but not including any income based or similar taxes, fees or other governmental charges levied against such feeder vehicle; (xxx) procuring, developing, implementing or maintaining information technology, data subscription and license-based services, research publications,

materials, equipment and services, computer software or hardware and electronic equipment used in connection with providing services to the Client (including reporting as described herein); (xxxi) any Organizational Expenses; (xxxii) any Placement Fees; and (xxxiii) any other fees, costs, expenses, liabilities or obligations approved by the Advisory Committee.

Regarding expenses, if any expenses are incurred jointly by Clients, such expenses will be allocated among Clients in what the Adviser believes to be a fair and reasonable manner. The Adviser may utilize one or more allocation methodologies to allocate such expenses, including the allocation of expenses on a non-pro rata basis (i.e., such expenses are permitted to be allocated on a basis that is other than pro rata based on each Client's capital contributions) if it determines that an expense disproportionately benefits a particular Client or group of Clients. Accordingly, a Client or group of Clients that the Adviser determines disproportionately benefit from an expense will potentially bear more of such expense than had such expense been allocated pro rata based on the relative investment cost basis and capital contributed of all such Clients that share in such expense. Generally, a co-investment vehicle will bear its pro-rata share of broken-deal expenses. However, if a co-investment vehicle is not successfully raised, the Client will be responsible for broken deal expenses that would have otherwise been attributed to the co-investment vehicle.

The general partner or managing member will pay all ordinary administrative and overhead expenses incurred in connection with maintaining and operating its office(s), including employees' salaries, rent and equipment expenses, except as otherwise provided in the Governing Documents.

The description of fees and expenses above is not intended to be exhaustive. Prospective and existing investors in Clients or potential Clients managed by the Adviser are advised to review the applicable Governing Documents for a more extensive description of the fees and expenses associated with the respective investment vehicle.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

As noted above in Item 5, affiliates of the Adviser may receive carried interest from certain Clients entitling them to a portion of the profits of a particular investment vehicle. These profit incentives are considered performance fees for purposes of the Advisers Act, including Rule 205-3. Under Rule 205-3, an investment adviser may charge a performance fee if the client – including investors within the client – is a “qualified client” as defined in the rule. Carried interest payments have been structured to comply with the Advisers Act, including Rule 205-3 under the Advisers Act.

The Adviser and its investment personnel provide investment management services to multiple portfolios for multiple Clients, including Clients with different fee arrangements. The Adviser (or an affiliate of the Adviser) is entitled to be paid performance-based compensation by its certain of its Clients. Such performance-based compensation may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. When the Adviser and its investment personnel manage more than one Client account the potential exists for one Client account to be favored over another Client account. The Adviser and its investment personnel have a greater incentive to favor Client accounts that pay the Adviser (and indirectly its investment personnel) higher fees or performance-based compensation. The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest that may arise relating to the management of multiple accounts, including accounts with different fee arrangements, and the allocation of investment opportunities. The policies and procedures seek to ensure that investment opportunities are allocated in a manner that is consistent with the relevant governing documents and on an otherwise fair and equitable basis.

Clients hold illiquid investments for which the Adviser receives performance-based compensation. To the extent the Adviser is entitled to performance-based compensation from its Clients upon the sale or deemed realization of illiquid investments, the Adviser may have an incentive to delay the realization of an illiquid investment.

## **Item 7. Types of Clients**

As noted in Item 4 above, the Adviser provides investment advisory services on a discretionary basis to pooled investment vehicles and separately managed accounts.

Advisory Clients are private investment vehicles that qualify for an exclusion from the definition of “investment company” under Section 3(c)(1), 3(c)(7), and/or 3a-7 of the Investment Company Act and are organized in both the United States and internationally.

Investors participating in the Client vehicles are required to meet certain suitability and net worth qualifications, such as being (1) an accredited investor within the meaning of Rule 501 of Regulation D under the Securities Act of 1933, as amended (“Securities Act”) and (a) a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “Investment Company Act”) or (b) a “knowledgeable employee” within the meaning of Rule 3c-5 of the Investment Company Act, or (2) a non-U.S. person, depending on the eligibility requirements of the specific Client.

The minimum investment in the Client vehicles is stated in the applicable offering and governing documents. Minimum investment size may be waived for certain investors at the Adviser’s discretion.

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

### ***A. Methods of Analysis and Investment Strategies.***

#### **Investment Objective and Strategy**

The Adviser advises in the real estate sector across the U.S. The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. In conducting its investment research, the Adviser considers factors including, but not limited to, real estate market information, real estate property underwriting, legal/tax analysis of the commercial real estate loan documentation, and other due diligence items.

### ***B. Material Risks (Including Significant or Unusual Risks) Relating to Investment Strategies***

The following summary identifies the material risks related to the Adviser's significant investment strategies and should be carefully evaluated before making an investment with the Adviser; however, the following does not intend to identify all possible risks of an investment with the Adviser or provide a full description of the identified risks. Investors and potential investors in Clients should refer to the Client's Governing Document for a further discussion of the applicable risks.

**Investment Risk.** All Client investments risk the loss of capital. The Adviser believes that the Clients' investment programs and research techniques moderate this risk through a careful selection of investments. No guarantee or representation is made that the Clients' program will be successful. The Clients will invest in assets which may not have a market. There are several risks inherent in such investments, some of which are specifically referenced below. Not only are such investments subject to investment-specific fluctuations in value but also to macro-economic, market and industry-specific conditions. Those risks may be significantly enhanced by the concentration of the Clients' investments, its consequent lack of diversification and the potential that creates for volatility. No assurance can be given as to when or whether adverse events might occur which could cause significant and immediate loss in value of a Clients' portfolio.

**General Real Estate Risks.** The assets acquired by the Clients will be secured by real estate. Real estate valuations generally will be subject to the risks incident to the ownership and operation of income producing real estate and/or risks, including (i) risks associated with the general economic climate; (ii) local real estate conditions; (iii) risks due to dependence on cash flow; (iv) risks and operating problems arising out of the absence of certain construction materials; (v) changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building); (vi) the financial condition of tenants, buyers and sellers of properties; (vii) changes in availability of debt financing; (viii) energy and supply shortages; (ix) changes in tax, real estate, environmental and zoning laws and regulations beyond the control of the Adviser; (x) various uninsured or uninsurable risks; (xi) natural disasters; and (xii) the ability of a Client or third-party borrowers to manage the real properties. If a Client takes title to real estate through foreclosure or otherwise, the Client will incur the burdens of ownership of real property, which include the paying of expenses and taxes, maintaining such property and any improvements thereon and ultimately disposing of such property. A Client's investment strategy will involve a high degree of legal and

financial risk, and there can be no assurance that the Client's rate of return objectives will be realized or that there will be any return of capital. There is no assurance that there will be a ready market for resale of investments because investments in real estate generally are not liquid. Illiquidity may result from the absence of an established market for the investments, as well as from legal or contractual restrictions on their resale by a Client. The possibility of partial or total loss of capital will exist and investors should not subscribe unless they can readily bear the consequences of such loss.

*Economic Conditions.* The real estate industry generally and the success of the Clients' investment activities in particular will both be affected by general economic and market conditions in the United States and other countries, as well as by changes in applicable laws, trade barriers, currency exchange controls, and national and international political and socioeconomic circumstances in respect of the countries in which the Clients may invest. These factors may affect the level and volatility of prices and liquidity of the Clients' investments, which could impair the Clients' profitability and result in losses. Further, any material change in the economic environment, including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates, could have a negative impact on the performance and/or valuation of the Clients' investments. The Clients' performance can be affected by deterioration in public markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011. The impact of market and other economic events may also affect the Clients' ability to raise funding to support its investment objective and the level of profitability achieved on realizations of investments. In addition, general fluctuations in the market prices of investments and interest rates may affect the Clients' investment opportunities and the value of the Clients' investments.

*Market Conditions.* Risks related to the Clients' business and investments the Clients are subject to risks associated with a changing economic environment. The real estate industry generally and the success of the Clients' investment activities in particular will be affected by general economic and market conditions. These factors may affect the price and/or the liquidity of the Clients' investments, which could adversely affect the Clients' overall returns and/or result in losses with respect to such investments. Periods of lackluster economic growth in the U.S. economy (or any particular segment thereof) may have a pronounced impact on the Clients and could adversely affect the Clients' profitability, impede the ability of the companies in which the Clients invest to perform under or refinance their existing debt obligations (and therefore make payments to the Clients as a creditor with respect thereto), and may otherwise impair the Clients' ability to effectively deploy its capital or achieve attractive risk-adjusted returns. It is possible that a weakening of credit conditions could adversely affect the ability of the Clients to finance and/or consummate investments, which could adversely affect the business of the Clients and impede the Clients' ability to effectively achieve its investment objective. In particular, the achievement of the Clients' investment strategy is dependent, at least in part, upon the Clients' ability to access capital at rates and on terms the general partner or the managing member determines to be acceptable. In addition, the U.S. economy is influenced by the economic and market conditions in other countries. Events in other jurisdictions, such as war and other global conflicts, can have adverse effects on Clients' investments. For example, the recent conflict between Russia and Ukraine could have a negative impact on the economy and business activity globally (including in the U.S.), and therefore could adversely affect the performance of the Clients. The conflict presents

material uncertainty and risk with respect to the Clients' ability to finance its investments, the ability of entities in which the Clients invest to repay debt obligations and/or to refinance debt investments, and the ability of the Clients to achieve its investment objectives. If the Clients' ability to access capital becomes significantly constrained, the Clients' financial condition and future investments may be significantly adversely affected.

*Concentration of Investments in Real Estate Industry.* The Clients' investments may be in the narrow field of the real estate industry. Concentration in a narrow field may involve risks, and consequently provide potential returns, greater than those generally associated with more diversified funds. To the extent that economic growth is relatively slow in this area, or to the extent that investment opportunities are relatively limited in this area, the Clients may not achieve the level of returns that they might have with a broader investment target and strategy. The value of a Client's assets may be susceptible to factors affecting the real estate market generally. This concentration will expose it to greater risk and market fluctuation than if the Client invested in a broader range of assets not concentrated in any particular industry or geographic region.

*Risks of Collateral.* Client investments are intended to be secured by real estate or on credit of equity related to real estate. The perfection of a security interest could be defective or may not be possible. Investments maybe in default or contested, and therefore it may be difficult to obtain title insurance policies on these investments. The value of collateral could be lower than estimated, creating an unsecured interest in an asset.

*Risks of Counterparty Default.* Due to the nature of some of the investments that the Clients may undertake, the Clients rely on the ability of the counterparty to the transaction to perform its obligations. In the event that any such party fails to complete its obligations, for any reason, the Clients may suffer a loss of the amount so invested.

*Lack of Investment Opportunities.* There can be no assurance that the Adviser will be able to identify suitable investment opportunities for the Clients or that it will be able to fully invest all capital commitments. If the adviser fails to identify investment opportunities or otherwise fails to fully invest capital commitments, the potential return to investors could be materially adversely affected.

*Leverage.* Clients (through one or more direct or indirect subsidiaries) are likely to employ leverage in the acquisition, operation and ownership of their investments and could refinance their investments, if desirable. Debt could take the form of a warehouse line of credit, selling A-Notes, or utilizing credit facilities. Such use of leverage generally magnifies a Client's opportunities for gain and its risk of loss from a particular investment. The Clients or such subsidiaries may make use of leverage by incurring or having an entity incur debt to finance a portion of its investment in such entity, including in respect of the Clients' investments not rated by credit agencies. In addition, recourse debt, which the Clients reserve the right to obtain, may subject other assets of the Clients and the limited partners' commitments to risk of loss. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage on terms that the general partner or the managing member believes are reasonable. The use of leverage

by the Clients and/or their subsidiaries will also result in interest expense and other costs that may not be offset by distributions made to the Clients or appreciation of or income from their investments. The Clients may provide guarantees in order to secure such leverage. Furthermore, should the credit markets be limited or costly at the time the Clients determine that it is desirable to sell all or a part of an investment, the Clients may not achieve an exit capitalization rate consistent with its forecasts. Moreover, certain entities in which the Clients will invest generally will not be rated by a credit rating agency. The Clients may also borrow money or guaranty indebtedness (e.g., a guaranty of an entity's debt subject to certain limitations in the Governing Documents). Clients (through one or more direct or indirect subsidiaries) may incur leverage on a joint and several basis with one or more other investment funds and entities managed by the general partner or managing member or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, if the Clients, directly or indirectly, incur leverage (or provides such guaranties), such amounts may be secured by commitments made by the Clients' investors and such investors' contributions may be required to be made directly to one or more lenders instead of the Client. The amount of leverage that the Clients may utilize at any time may be large in relation to its capital. Finally, leverage may include so-called "balloon" payments at maturity if leverage is not fully amortized by maturity and such "balloon" payments may be difficult or even impossible to refinance on attractive terms, thus potentially magnifying losses in respect of leveraged investments.

*Use of Credit Facilities.* The Clients through one or more direct or indirect subsidiaries are also permitted to borrow funds pursuant to a revolving credit facility or other debt facility, including a facility based on the aggregate commitments available to be called or based on a pledge of the Clients' assets. The use of such facilities will be determined by the general partner or managing member, and the performance of the Clients may be impacted by how the general partner or managing member causes the Clients to utilize such facilities. Although, the use of such a facility may increase the Clients' ability to swiftly invest capital, it also will subject the limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line facility typically are secured by pledges of the general partner or managing member's right to call capital from the limited partners, the limited partners may be obligated to contribute capital on an accelerated basis if the Client fails to repay the amounts borrowed under a subscription line facility or experiences an event of default thereunder. Moreover, any limited partner claim against a Client would likely be subordinate to a Client's obligations to a subscription line facility's creditors. In addition, Client-level borrowing will result in incremental expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line facility, an upfront fee for establishing a subscription line facility, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility. Because a subscription line facility's interest rate is based in part on the creditworthiness of the limited partners and the terms of the Client's 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 Client's cost of borrowing, Client-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Client's reported net returns in certain methods of calculation.



*Increase in Market Interest Rates.* If interest rates increase, so could the Client's interest costs for new debt, including variable rate debt obligations under any credit facility or other financing. Rising interest rates could limit the Client's ability to refinance existing debt when it matures or cause it to pay higher interest rates upon refinancing, which would negatively impact liquidity and profitability. In addition, an increase in interest rates could decrease the access third parties have to credit or the amount they are willing to pay for the Client's assets.

*Third Party Co-Investment; Reliance on Third-Party Joint Venture Partners and Managers.* A Client may co-invest through partnerships, joint ventures or other entities with one or more third parties as a co-venturer, co-lender or partner, including with the seller (or an affiliate thereof) of the investment, a person involved in the selling or acquisition of the investment, an investor in the Client (or other vehicle controlled by the Adviser) or other third parties. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that: (i) the Client and such co-venturer, co-lender or partner may reach an impasse on a major decision that requires the approval of both parties; (ii) a co-venturer, co-lender or partner of the Client may at any time have economic or business interests or goals that are inconsistent with those of the Client; (iii) the co-venturer, co-lender or partner may encounter liquidity or insolvency issues or may become bankrupt; (iv) the co-venturer, co-lender or partner may be in a position to take action contrary to a Client's investment objective; (v) the co-venturer, co-lender or partner may take actions that subject the investment or related property to liabilities in excess of, or other than, those contemplated; or (vi) in certain circumstances the Client may be liable for actions of its co-venturers, co-lenders or partners. The co-venturer, co-lender or partner may be a joint venture partner or interest holder in another joint venture or other vehicle in which the Adviser has an interest or otherwise controls. A co-venturer or partner may also be entitled to receive payments from, or allocations or performance-based compensation (e.g., carried interest) in respect of, the Client as well as such investments, and in such circumstances, any such amounts may be treated as a Client expense and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by the Adviser, be deemed paid to or received by the Adviser or reduce the Management Fee. Moreover, the Adviser or its affiliates may receive fees associated with capital invested by a co-venturer or partner relating to investments in which the Client participates. This may be in connection with a joint venture in which the Client participates or other similar arrangements with respect to assets or other interests retained by a seller or other commercial counterparty with respect to which the Adviser performs services. In addition, the Client may co-invest with non-affiliated co-investors, co-lenders or partners whose ability to influence the affairs of the companies in which the Client invests may be significant, and even greater than that of the Client and as such, the Client may be required to rely upon the abilities and management expertise of such co-venturer, co-lender or partner. It may also be more difficult for the Client to sell its interest in any joint venture, partnership or entity with other owners than to sell its interest in other types of investments (and any such investment may be subject to a buy-sell right). The Client may grant co-venturers, co-lenders or partners approval rights with respect to major decisions concerning the management and disposition of the investment, which would increase the risk of deadlocks or unanticipated exits from an investment. A deadlock could delay the execution of the business plan for the investment or require the Client to engage in a buy-sell of the venture with the co-venturer, co-lender or partner or conduct the forced sale of such investment or require alternative dispute resolution in order to resolve such deadlock. As a result of these risks, the Client may be unable to fully realize its expected return on any such investment.

Further, to the extent that the Client offers any co-investment opportunity to any limited partners or third parties, some or all of the risks described above may also apply to such co-investments.

*Recycling; Reinvestment.* As further described in the Client Governing Documents, certain amounts that distributable by the Client may be treated as if such amounts had not been previously called and funded (including, amounts that are used to pay an expense of the partnership or the company and/or that are used to make an investment). Such distributable funds, if received by the Client, may be retained by the Client and reinvested or used for any purpose permitted under the Governing Documents, including to pay expenses or other obligations of the Client, or distributed and restored to the partners' unused commitments and will be available to be recalled for future use. Accordingly, in such circumstances, a limited partner can be required to make capital contributions in excess of its commitment, and to the extent such retained or recalled amounts are reinvested in investments, a limited partner will remain subject to investment and other risks associated with such investments.

***C. Risks Associated With Types of Securities that are Primarily Recommended (Including Significant or Unusual Risks)***

*Risks of Litigation.* Investing in real estate or real estate related activities can be a contentious and adversarial process, and litigation is a common remedy employed by a Client to address defaults in an investment, and in many cases is essential to the business plan of its investments. The costs of litigation are often unpredictable, and initial estimates from attorneys can be inaccurate and difficult to control. The duration of a legal action is also often unpredictable, as defendants can delay proceedings and judges can delay adjudication. Debtors may initiate counterclaims against a Client, which may increase the time and expense of an investment, and the Client would pay for a defense of these counterclaims. Foreclosure can be costly and delayed by litigation and/or bankruptcy. Factors such as the property's location, the legal status of title to the property, its physical condition and financial performance, environmental risks, and governmental disclosure requirements with respect to the condition of the property may make a third-party unwilling to purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the related defaulted mortgage.

*Risks of Deficient Claims.* Investments in defaulted mortgage liens and other Client investments may result in a situation where the claim that underlies the security interest is inaccurate, overstated, or lacking in factual support of the claim. This could result in a decrease of security for the Client's investment and/or counterclaims from a debtor.

*Illiquid Instruments.* Certain instruments may have no readily available market or third-party pricing. Reduced liquidity may have an adverse impact on market price and the Adviser's ability to sell particular securities when necessary to meet liquidity needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. In some cases, the relevant portfolio may be contractually prohibited from disposing of certain securities for a specified period of time. Reduced liquidity in the secondary market for certain securities may also make it more difficult for the Adviser to obtain market quotations based on actual trades for the purpose of valuing a Client's portfolio.

*Adequacy and Availability of Insurance.* While the Clients may seek to make investments where insurance and other risk management products are, to the extent available on commercially reasonable terms, utilized to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, such coverage may not always be practicable or feasible. Moreover, it will not be possible to insure against all such risks, and any insurance proceeds from covered risks may be inadequate to completely or even partially cover a loss of revenues, an increase in operating and maintenance expenses and/or any necessary replacement or rehabilitation, as applicable. Certain losses of a catastrophic nature (e.g., those caused by force majeure events) may be either uninsurable or insurable at such high rates as to adversely impact the Clients' profitability if such insurance were obtained.

*Rising Insurance Premiums.* Investing in commercial real estate inherently entails exposure to various risks, including the potential for escalating insurance premiums. This risk is contingent upon multiple factors, notably market dynamics shaped by economic fluctuations, industry trends, and unforeseen catastrophic occurrences. Properties situated in regions susceptible to natural disasters, such as hurricanes, earthquakes, or floods, may encounter heightened insurance costs due to elevated risk profiles. Similarly, a history marked by frequent insurance claims could prompt insurers to impose elevated premiums. Moreover, the cyclical nature of the insurance market, characterized by periods of increased underwriting stringency and reduced capacity—commonly referred to as "hard market cycles"—may necessitate insurers to adjust premiums upward to safeguard their financial interests. The scope of coverage, efficacy of risk management protocols, and regulatory modifications also bear significance in influencing insurance costs. Persistent inflationary pressures and escalating construction expenses further contribute to the progressive increase of premiums over time. The financial ramifications of heightened insurance premiums can materially impact investment performance, potentially diminishing net operating income and overall returns.

#### ***Additional Risks Relating to the Adviser***

*Systems and Operational Risks.* The Adviser relies on certain financial, accounting, data processing and other operational systems and services that are employed by the Adviser and/or by third party service providers, including prime brokers, the third-party administrator, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. For example, the Adviser and the Client could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in the Client's operations. In addition, despite certain measures established by the Adviser and third-party service providers to safeguard information in these systems, the Adviser, the Client and their third party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the

disruption of Client trading activities, liability under applicable law, regulatory intervention or reputational damage.

*Cybersecurity Risk.* The information and technology systems of the Adviser and of key service providers to the Adviser and its Clients may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for the Adviser to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Adviser or its Client accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

*Risk Management Failures.* Although the Adviser attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by the Adviser, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of Clients may be incomplete or altogether ineffective. Similarly, the Adviser may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to Clients.

*Valuation of Portfolio Holdings.* There are conflicts of interest in connection with the valuation of Client assets. Inflated valuations may result in better performance which may assist in marketing for the Adviser. Conflicts of interest may be heightened in the case of assets that do not have readily ascertainable market values.

*Assumption of Business, Terrorism and Catastrophe Risks.* Opportunities involving the assumption by the Client of various risks relating to particular assets, markets or events may be considered from time to time. The Client's portfolio is subject to the risk of loss arising from exposure that it may incur, directly or indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events and events that could adversely affect the health or life expectancy of people. These risks of loss can be substantial, could greatly exceed all income or other gains, if any, received by the Client in assuming these risks and, depending on the size of the loss, could adversely affect the return of the Client.

*Effects of Health Crises and Other Catastrophic Events.* Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on clients' investments and the Adviser's operations. For example, any preventative or protective actions that governments may take in

respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for client portfolio companies. In addition, under such circumstances the operations, including functions such as trading and valuation, of the Adviser and other service providers could be reduced, delayed, suspended or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

**Item 9. Disciplinary Information**

Neither the Adviser nor any of its Supervised Persons have been the subject of any legal or disciplinary event of an investment-related nature that would be material to the business of the Adviser or that would be subject to disclosure on Form ADV.

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

As described above, the Adviser provides investment advisory services to pooled investment vehicles and separately managed accounts and it does not have any relationships or arrangement that it believes to be material to its advisory business or to its Clients.

The Adviser establishes private investment vehicles in which affiliated general partners or managing members have broad authority to control the operations of the applicable Client. The Governing Documents relevant to each Client describe the Adviser structure and entities material to the operation of the Client.

The Adviser is affiliated with other related investment advisers, JVA RE Investments LLC and JVP CRE Manager LLC (the “Relying Advisers”), which are subject to the Advisers Act pursuant to the adviser’s registration in accordance with SEC guidance. These entities operate as a single advisory business together with the Adviser and serve as general partners or managing members of the pooled investment vehicles and separately managed accounts generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

As noted above in Item 5, Principals of the Adviser, through their ownership interests in JVA RE Investments, LLC, acquired an economic interest in Premier Title Agency Inc. (“Premier”). Premier is a full-service commercial and residential title insurance agency that has, and may in the future, provide title insurance products and services to advisory Clients.

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

The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser to put the interests of the Adviser’s Clients before its own interests and to act honestly and fairly in all respects in their dealings with its Clients. In addition to compliance with the Adviser’s policies and procedures, all of the Adviser’s personnel are required to comply with applicable federal securities laws. Clients or prospective Clients may obtain a copy of the Code by contacting the Adviser’s Chief Compliance Officer by email at JAkhtar@jvpmgmt.com, or by telephone at 214-392-5737. See below for further provisions of the Code as they relate to securities transactions by the Adviser’s supervised persons.

The Adviser, in the course of its investment management and other activities, may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of Clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to its Clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the Client or using such information for the Client’s benefit. In such circumstances, the Adviser will have no responsibility or liability to the Client for not disclosing such information to the Client (or the fact that the Adviser possesses such information), or not using such information for the Client’s benefit, as a result of following the Adviser’s policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

The Code requires the Adviser’s supervised persons to preclear certain limited offerings and initial public offerings in their personal accounts with the Chief Compliance Officer, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of its Clients. In addition, the Adviser’s Code prohibits the Adviser or its supervised persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All of the Adviser’s supervised persons are required to disclose their securities transactions on a quarterly basis. In addition, the Adviser’s supervised persons are required to disclose the holdings in their personal accounts upon commencement of employment with the Adviser and on an annual basis thereafter. The Adviser’s supervised persons are also required to provide at least quarterly brokerage statements. Trading in the personal accounts of the Adviser’s supervised persons is reviewed by the Chief Compliance Officer.



## **Item 12. Brokerage Practices**

Given the Adviser's real estate sector focused investment strategy, the Adviser does not expect to use broker-dealers or other trading intermediaries. To the extent that the Adviser uses broker-dealers or other intermediaries, the Adviser will consider factors including but not limited to the efficiency and effectiveness of execution, in selecting a broker-dealer to execute transactions and determining the reasonableness of the broker-dealer's compensation. In selecting a broker-dealer to execute transactions (or a series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. The Adviser does not receive research or other products or services from a broker-dealer and/or a third-party in connection with Client investments nor does it participate in any soft dollar arrangements.

The Adviser does not consider whether the Adviser or a related person receives client referrals from a broker-dealer or third-party in selecting or recommending broker-dealers or intermediaries to effect investments for Client accounts.

The Adviser does not recommend, requests or requires that a Client direct the Adviser to execute transactions through a specified broker-dealer.

**Item 13. Review of Accounts**

Each Client account is reviewed periodically by the Adviser's principals. The investments made by Adviser are generally private, illiquid and long term in nature. Significant market events affecting the prices of one or more investments in Client accounts, among other things, may trigger reviews of Client accounts on other than a periodic basis. Investors in Clients that are pooled investment vehicles will receive written reports from the vehicle pursuant to the Governing Document.

**Item 14. Client Referrals and Other Compensation**

The Adviser does not compensate any third party for Client referrals directly to it for advisory services and does not receive any economic benefit from a third party for providing investment advice or other services to its Clients.

The Adviser reserves the right from time to time to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Client. Any fees payable to any such placement agents generally will be borne by the Adviser.

## **Item 15. Custody**

The Adviser itself does not have custody of Client funds or securities, but affiliates of the Adviser are deemed to have custody. Because of the affiliation of the Adviser with the affiliated general partners or managing members of the private investment vehicles, the SEC's custody rule, Rule 206(4)-2 under the Advisers Act, applies to the custody over Client funds and securities.

The Adviser affiliates maintain Client funds at qualified custodians but rely on an exception available to "pooled investment vehicles" from various reporting and surprise audit obligations imposed by the SEC's Custody Rule. This exception requires the Adviser to engage an independent public accounting firm that is a member of, and examined by, the Public Company Accounting Oversight Board ("PCAOB") and to distribute audited annual financial statements, prepared in accordance with GAAP or other substantially similar accounting standards, to Client investors within a prescribed period.

## **Item 16. Investment Discretion**

The Adviser will provide investment advisory services on a discretionary basis to the Client. Prior to assuming full discretion in managing a client's assets, the Adviser will enter into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

Unless otherwise instructed or directed by a discretionary Client, the Adviser has the authority to determine (i) the investments to be purchased and sold for the Client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines), and (ii) the amount of investments to be purchased or sold for the Client account. Because of the differences in Client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among Clients in invested positions and investments held. The Adviser may consider the following factors, among others, in allocating investments among Clients: (i) a Client's investment objectives and strategies; (ii) risk profiles; (iii) tax status and restrictions placed on a Client's portfolio by the Client or by applicable law; (iv) size of the Client account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; (viii) account liquidity, account requirements for liquidity and timing of cash flows; and (ix) amount of trade away fees or other transaction fees.

The Adviser may provide Client investors with the opportunity to co-invest in certain investments to which the Adviser has access. Participation in such opportunities may be limited to a select number of Client investors based on the Adviser's consideration of factors, including but not limited to: (i) whether the potential co-investor has expressed an interest in participating in co-investment opportunities; (ii) the Adviser's evaluation of the potential co-investor's size and financial resources; (iii) the ability of the potential co-investor to expeditiously participate in the investment opportunity without harming or otherwise prejudicing the other clients participating; (iv) the Adviser's perception of whether the investment opportunity may subject the potential co-investor to legal, regulatory or other burdens that make it less likely that the potential co-investor would accept the investment opportunity; (v) whether the Adviser believes that allocating the investment opportunity to a potential co-investor will help establish, recognize or strengthen relationships that may provide indirectly longer-term benefits to current or future clients or to the Adviser; (vi) any confidentiality concerns the Adviser has that may arise in connection with providing the potential co-investor with specific information regarding an investment opportunity in order to allow it to evaluate the opportunity; and (vii) other factors deemed relevant by the Adviser. Co-investment opportunities may not be available to all Client investors.

**Item 17. Voting Client Securities**

Due to the nature of the assets the Adviser manages, the Adviser generally is not required to vote client proxies. To the extent the Adviser is required to vote Client securities and has been delegated proxy voting authority on behalf of its Clients, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to Client securities, such proxies are voted in the best interests of its Clients. The Adviser will abstain from voting or affirmatively decide not to vote if the Adviser determines that abstention or not voting is in the best interests of the Client.

**Item 18. Financial Information**

The Adviser is not aware of any financial condition that is reasonably likely to impair the Adviser's ability to meet contractual commitments to Clients. The Adviser does not assess any fees more than six months in advance. The Adviser has never been the subject of bankruptcy proceedings.