

**INVESTMENT ADVISER BROCHURE**

**GLP CAPITAL PARTNERS LP**

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**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of GLP Capital Partners LP (the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at (310) 356-0880. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.**

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

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

## **TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>Material Changes .....</b>	<b>1</b>
<b>Advisory Business .....</b>	<b>1</b>
<b>Fees and Compensation .....</b>	<b>1</b>
<b>Performance-Based Fees and Side-By-Side Management .....</b>	<b>3</b>
<b>Types of Clients .....</b>	<b>3</b>
<b>Methods of Analysis, Investment Strategies and Risk of Loss.....</b>	<b>4</b>
<b>Disciplinary Information.....</b>	<b>18</b>
<b>Other Financial Industry Activities and Affiliations.....</b>	<b>19</b>
<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</b>	<b>19</b>
<b>Brokerage Practices .....</b>	<b>20</b>
<b>Review of Accounts .....</b>	<b>20</b>
<b>Client Referrals and Other Compensation.....</b>	<b>20</b>
<b>Custody .....</b>	<b>20</b>
<b>Investment Discretion .....</b>	<b>21</b>
<b>Voting Client Securities.....</b>	<b>21</b>
<b>Financial Information.....</b>	<b>21</b>

## MATERIAL CHANGES

The Adviser filed its initial Form ADV Part 2 on July 6, 2019. This other-than-annual amendment updates the Adviser's assets under management and the description of the business practices of the Adviser and its affiliates.

## ADVISORY BUSINESS

The Adviser, a Delaware limited partnership and a registered investment adviser, provides non-discretionary investment advisory services to institutional clients ("**Accounts**") and is expected to provide discretionary investment advisory services to investment funds privately offered to qualified investors with respect to real estate and real estate-related investments (each a "**Fund**", and together with the Accounts, "**Clients**"). The Adviser may also provide sub-advisory services to third-party investment vehicles.

The Adviser is ultimately principally owned by Alan Yang and Adam Berns (the "**Principals**"). The Principals have all worked closely together in their previous employment roles, including most recently as the US-based investment professionals, with GLP Pte. Ltd. and its affiliates (collectively, "**GLP**"), which is a leading global provider of logistics facilities and technology-led solutions. The Adviser is independent of GLP and is neither an affiliate nor a related party of GLP. The Adviser has entered into an arms-length agreement with GLP and certain of GLP's subsidiaries whereby the Adviser agrees to provide certain asset and investment management services, and certain sub-advisory services, to GLP and its subsidiaries, only in relation to certain existing assets and investment vehicles owned or sponsored by GLP for which employees of the Adviser had responsibility in their previous roles for GLP, on a transition basis.

To the extent the Adviser provides services to one or more Funds, it will likely also establish general partner entities or equivalent governing entities, that will be affiliated with the Adviser (each, a "**General Partner**").

The Adviser's advisory services to Accounts are detailed in the applicable investment management agreement or other governing agreements with such institutional clients ("**Management Agreements**"). The Adviser's advisory services to any Funds will be detailed in the applicable private placement memoranda, operating agreements, investor subscription agreements or other offering documents of such Funds (each, an "**Offering Document**", and together with the Management Agreements, the "**Governing Documents**") and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss."

As of September 30, 2019, the Adviser manages approximately \$486,077,788 in client assets on a non-discretionary basis.

## FEES AND COMPENSATION

In general, the Adviser or an affiliated entity receives a management fee or advisory fee ("**Management Fee**") and/or incentive compensation, such as carried interest or a profits interest, in connection with advisory services. The Adviser or an affiliated entity may receive additional compensation in connection with management and other services performed for portfolio investments of a Client and such additional compensation may not offset in whole or in part the management fees otherwise payable to the Adviser pursuant to the relevant Governing Documents.

## **Management Fees**

Generally, Clients pay the Adviser a Management Fee as further described in the applicable Governing Documents. The Management Fee may either be a fixed percentage of a Client's gross asset value or a Fund's aggregate commitments or be otherwise negotiated by a Client.

As compensation for advisory services rendered to certain Accounts, the Adviser receives fixed fees as further described in the applicable Management Agreements.

Additionally, as further described below and in the applicable Governing Documents, the Adviser is expected to retain its affiliate, GCP Asset Management LLC, or the affiliates of GCP Asset Management LLC (collectively, "**GCP Asset Management**"), or from time to time, joint venture partners to provide property management oversight, leasing oversight, corporate services (including accounting and reporting), construction management, development consulting and transaction support services to certain of Clients' investments ("**Support Services**") to or with respect to a Client and/or its portfolio investments. In certain circumstances, the Adviser will provide such Support Services itself. Such, joint venture partners, GCP Asset Management, or the Adviser generally receive compensation in connection with Support Services as described herein, but such compensation is in addition to the Management Fee and does not result in any offsets to the Management Fee as described in the applicable Governing Documents. Third party service providers may also be retained to perform Support Services.

## **Incentive Compensation**

Generally, the Adviser or an affiliated entity is expected to receive incentive compensation in connection with advisory services as described in the applicable Governing Documents and in the "Performance-Based Fees and Side-By-Side Management" section below.

For advisory services rendered to certain Accounts, the Adviser does not receive any incentive compensation.

## **Other Information**

Principals or other employees of the Adviser generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, incentive compensation or other compensation received by the Adviser or its affiliates.

The Adviser and/or its affiliates generally have discretion over whether to charge transaction fees, construction fees, property management fees, enterprise management fees, management consulting fees, operational service fees, development fees, real estate advisory fees, monitoring fees or other compensation to portfolio investment of a Client, and, if so, the rate, timing, method and/or amount of such compensation, subject to the relevant Governing Documents. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of such compensation generally will give rise to potential conflicts of interest between a Client, on the one hand, and the Adviser and/or its affiliates on the other hand.

To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in “Brokerage Practices.”

### **Affiliated Service Providers**

Additionally, as further described herein and in the Governing Documents, the Adviser is expected to retain GCP Asset Management to provide Support Services. GCP Asset Management is compensated in whole, or in part, by a Client or a Client’s portfolio investments in accordance with the applicable Governing Documents. The Adviser may also, from time to time, provide such Support Services itself or retain certain joint venture partners to provide Support Services to a Client and/or its portfolio investments. The service providers (including the Adviser) receive compensation, including, but not limited to cash fees, retainers, transaction fees, a profits or other interest in a portfolio investment, profits or equity interests in a Client or the Adviser, remuneration from the Adviser and/or a Client or affiliates or other compensation, which typically are determined according to one or more methods, including the value of the time spent (including an allocation for overhead and other fixed costs), a percentage of the value of the portfolio investment, the invested capital exposed to such portfolio investment, amounts charged by other providers for comparable services and/or a percentage of cash flows from such portfolio investment. Third party service providers or sub-advisers may also be retained to perform Support Services. Such service providers (including, in certain circumstances, the Adviser) will also be reimbursed for certain travel and other costs in connection with their services by the Client or its portfolio investments as set forth in the applicable Governing Documents. As described above, these amounts will be in addition to the Management Fee and generally not offset the Management Fee. The use of GCP Asset Management and joint venture partners subjects the Adviser to conflicts of interest, as discussed under “Conflicts of Interest” below.

### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under “Fees and Compensation,” the Adviser will be entitled to incentive compensation, such as carried interest or a profits interest, based on certain realized profits from Clients. The existence of performance-based compensation has the potential to create an incentive for the Adviser to make more speculative investments or other decisions on behalf of a Client than it would otherwise make in the absence of such arrangement, although the Adviser generally considers performance-based compensation to better align its interests with those of its investors.

### **TYPES OF CLIENTS**

The Adviser provides investment advice to Accounts pursuant to the applicable Management Agreements. The Adviser may also provide investment advice to one or more Funds in the future. The Funds may include investment partnerships or other investment entities formed under U.S. or non-U.S. laws and not required to be registered under the Investment Company Act of 1940, as amended. The investors participating in the Funds may include sovereign wealth funds, banks or thrift institutions, other investment entities, university endowments, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of the Adviser, its affiliates, associates or other related person and members of their families, joint venture partners or other service providers retained by the Adviser or its affiliates.

The Funds may include alternative investment vehicles or other private funds established from time to time in order to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund.

To the extent that the Funds have a minimum investment amount, such amounts will be set forth in the relevant Governing Documents.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Investment and Operating Strategy**

The Adviser's investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing, operating, developing, redeveloping, financing, refinancing and monitoring investments, and achieving dispositions for investments. Investments are predominantly in non-public companies although investments in public companies are permitted. The Clients will generally seek to acquire, develop, own, manage and/or operate real estate and other investments or businesses in the U.S.

There can be no assurance that the Adviser will achieve the investment objectives of any Client and a loss of investment is possible.

### **Risks of Investment**

Each Client (and the investors in a Fund) bears the risk of loss that the Adviser's investment strategy entails. The risks involved with the Adviser's investment strategy and an investment in a Fund include, but are not limited to the risks outlined below. Additional risks specific to a Client's investment strategies can be found in the relevant Client's Governing Documents. Risk factors below describing risks to a Fund are also applicable to any Account managed by the Adviser.

***Real Estate Risks.*** Real property investments are subject to varying degrees of risk. If a Fund's investments do not generate revenues sufficient to meet operating expenses, the Fund may be required to borrow additional amounts to cover fixed costs, adversely affecting the cash flow of the Fund and its ability to make distributions to its investors. Investors should not subscribe to or invest in a Fund unless they can readily bear the loss of their entire investment. A Fund's revenues and the value of its properties may be adversely affected by a number of factors, including local economic climate and real estate conditions; the Fund's ability to provide adequate management, maintenance, and insurance; the financial condition of tenants, buyers and sellers of property; consumer demand for goods that in turn have an impact on demand for properties; the expense of periodically renovating, repairing, and re-letting spaces; structural or property level latent defects; uninsured losses or delays; increasing operating costs which may not be passed through to tenants; acts of God and other factors beyond the Fund's control. Certain significant expenditures associated with investments in real estate (such as mortgage payments, real estate taxes, insurance and maintenance costs) are generally not reduced when circumstances cause a reduction in rental revenues. Real estate values are also affected by such factors as compliance

with applicable laws, including laws regarding zoning and usage, environmental and tax laws, interest rate levels and the availability of financing.

In particular, a Fund's revenues and the value of its properties are typically vulnerable to risks associated with or often relate to logistics facilities. For instance, infrastructure changes, technological innovations in transportation and/or regulations may alter the roles and relative importance of shipping methods. Additionally, real estate surrounding a Fund's properties may be developed for uses which may impede the operations of the tenants, who may seek other logistics facilities. Unanticipated results or changes in particular logistics facilities, or changes in general or local economic conditions or other relevant factors, including changes in government regulations or demand, could affect such values which could have a material adverse effect on the Fund's investments, financial condition, results of operations and prospects.

**Acquisition Risks.** A Fund may acquire stabilized assets to the extent that they can be acquired on advantageous terms and meet the Fund's investment criteria. Acquisitions of stabilized assets entail general investment risk associated with any real estate investment, including the risk that investments will fail to perform in accordance with expectations or that estimates of the costs of improvements to bring an acquired property up to a Fund's standards may prove inaccurate. When acquiring membership interests of an LLC, a Fund may incur residual liabilities, which could have a substantial effect on the value of the underlying assets.

**Third Party Co-Investment; Reliance on Third-Party Joint Venture Partners and Managers.** A Fund may co-invest through partnerships, joint ventures or other entities with one or more third parties as a co-venturer or partner, including with the seller (or an affiliate thereof) of the property, a person involved in the selling or acquisition of the property, an investor in the Fund (or other vehicle controlled by the Adviser or its affiliates) 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) a Fund and such co-venturer may reach an impasse on a major decision that requires the approval of both parties; (ii) a co-venturer or partner of a Fund may at any time have economic or business interests or goals that are inconsistent with those of such Fund; (iii) the co-venturer or partner may encounter liquidity or insolvency issues or may become bankrupt; (iv) the co-venturer or partner may be in a position to take action contrary to a Fund's investment objective; (v) the co-venturer or partner may take actions that subject the property to liabilities in excess of, or other than, those contemplated; or (vi) in certain circumstances a Fund may be liable for actions of its co-venturers or partners. The co-venturer or partner may be a joint venture partner or interest holder in another joint venture or other vehicle in which the Adviser or its affiliates has an interest or otherwise controls. The 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, a Fund as well as such investments, and in such circumstances, any such amounts may be treated as a Fund expense and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by the Adviser or its affiliates, be deemed paid to or received by the Adviser or its affiliates 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 a Fund participates. This may be in connection with a joint venture in which a Fund 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 or an affiliate performs services. In addition, a Fund may co-invest with non-affiliated

co-investors or partners whose ability to influence the affairs of the companies in which such Fund invests may be significant, and even greater than that of such Fund and as such, such Fund may be required to rely upon the abilities and management expertise of such co-venturer or partner. It may also be more difficult for a Fund 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). A Fund may grant co-venturers 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 a Fund to engage in a buy-sell of the venture with the co-venturer 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, a Fund may be unable to fully realize its expected return on any such investment. Further, to the extent that a Fund 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.

***Risks Related to Acquisition of Properties.*** A Fund may acquire properties both through the direct acquisition of real estate and through the acquisition of entities that own real estate. The acquisition of properties involves risks, including the risk that a Fund may not be successful in identifying attractive properties or that, once identified, such Fund may not be successful in consummating an acquisition. When a Fund acquires properties in new markets, it may face risks associated with a lack of market knowledge or understanding of the local economy, forging new business relationships in the area and unfamiliarity with local government and permitting procedures. The acquired property may not perform as anticipated and any costs for rehabilitation, repositioning, renovation and improvements may exceed the Adviser's estimates. Furthermore, the acquired properties or entities may be subject to liabilities, which may be without any recourse, or with only limited recourse, with respect to unknown liabilities, such as liabilities for clean-up of undisclosed environmental contaminations, claims by customers, vendors or other persons dealing with the former owners of the properties, liabilities incurred in the ordinary course of business and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties. As a result, if a liability were asserted against a Fund based on ownership of any of these entities or properties, then such Fund may have to pay substantial sums to defend or settle it which could materially and adversely affect cash flows.

***Development Strategy Risks.*** A Fund's development strategy may include focusing on opportunistically developing properties and include significant risks. A Fund may not be able to acquire land that is suitable to its development strategy or to obtain financing or third-party investment for development projects on favorable terms or at all, or lease properties on favorable terms or at all. A Fund may pursue development opportunities that ultimately may be abandoned, development costs may be incurred for projects that are not pursued to completion and the related investment impaired. Acquired, redeveloped or renovated properties (including newly acquired portfolios of properties) may not initially be accretive to results, and a Fund may not successfully manage and lease newly acquired, redeveloped or renovated properties (including newly acquired portfolios of properties) to meet its expectations. A Fund may not be able to obtain, or may experience delays in obtaining, all necessary zoning, land-use, building, occupancy and other required governmental permits and authorizations, causing a delay in the expected revenues of such projects. A Fund may incur significant pre-operating costs or may not budget adequately for these pre-operating costs, which may not be recovered for some time, and projects may not be



completed, delivered or stabilized as planned due to defects or other issues. A Fund may seek to sell certain land parcels and not be able to find a third party to acquire such land or the sales price will not allow a Fund to recover its investment, resulting in impairment charges; and the Adviser's attention may be diverted from other important operational matters by acquisition, renovation, new development and redevelopment activities. The occurrence of any of the foregoing events could have a material adverse effect on a Fund's overall returns.

***Risks From Unstabilized Properties.*** A Fund's unstabilized properties have limited, if any, operating history and may not achieve the anticipated operating performance, and as a result, may impact a Fund's overall returns. Unstabilized properties have a short operating history. Significant increases in available industrial space supply or decreases in industrial space demand in the markets where any one or more of a Fund's unstabilized properties are located could cause the operating performance of those properties to be below expectations. If macroeconomic conditions or conditions specific to their markets do not improve or anticipated results for these properties do not otherwise materialize, a Fund's overall returns may not improve.

***Declining Real Estate Valuations and Impairment Charges.*** Due to certain events and changes in circumstances, including those resulting from an economic downturn, the carrying value of the real estate and related intangible assets in which a Fund has an ownership interest may not be recoverable. Examples of such indicators may include a significant decrease in market price, a significant adverse change in the extent or manner the property is being used or in its physical condition, an accumulation of costs significantly in excess of the amount originally expected for the acquisition or development, or a history of operating or cash flow losses. When such impairment indicators exist, the Adviser reviews an estimate of the future undiscounted net property cash flows expected to result from the real estate investment's use and eventual disposition and compare it to the carrying value of the property. The Adviser considers factors such as future rental rates and occupancy, trends and prospects, leasing demand, competition and other factors. If the future undiscounted net cash flow evaluation indicates that a Fund is unable to recover the carrying value of a real estate investment, an impairment loss is recorded to the extent that the carrying value exceeds the estimated fair value of the property. These losses have a direct impact on a Fund's net income because recording an impairment loss results in an immediate negative adjustment to net income. The evaluation of anticipated future cash flows is highly subjective and is based on numerous assumptions, including future occupancy, rental rates, property operating expenses, capital requirements and holding periods. These assumptions could differ materially from actual results in future periods. A worsening real estate market may cause the Adviser to re-evaluate the assumptions used in the impairment analysis. Impairment charges could materially and adversely affect a Fund's returns.

***Impact of Climate Change.*** A Fund may be exposed to potential physical risks from possible future changes in climate. A Fund's properties may be exposed to rare catastrophic weather events, such as severe storms or floods. If the frequency of extreme weather events increases due to climate change, a Fund's exposure to these events could increase. In addition, a Fund may be adversely impacted by regulatory changes related to climate change as a result of potential impacts of such changes on the supply chain or stricter energy efficiency standards for buildings. A Fund cannot provide any assurance that it will not be materially and adversely impacted by any existing or future regulatory changes.

***Risks of Limited or No Warranties.*** A Fund may acquire properties that are sold in “as is” condition, on a “where is” basis and “with all faults,” without any warranties of merchantability or fitness for a particular use or purpose. In other acquisitions, the purchase agreements may contain only limited warranties, representations and indemnifications that will only survive for a limited period after the closing. Also, many sellers of real estate are single-purpose entities without any other significant assets. The purchase of properties with limited warranties or from undercapitalized sellers increases the risk that a Fund may lose some or all of its invested capital in the property (and in some cases, have liabilities greater than such Fund’s investment) as well as the loss of rental revenue from such property.

***Competition and Difficulty of Locating Suitable Investments.*** The ultimate success of each Fund will hinge on its ability to locate attractive investment candidates. A Fund could face significant competition for investment opportunities from other real estate investment vehicles, individuals, financial institutions, institutional investors and local and regional logistics facilities providers who may have better local knowledge and relationships as well as greater access to funding than the Fund, all of which may result in difficulty in acquiring desirable investments or land at reasonable prices, increased costs for the acquisition of land for construction of logistics facilities, an increase in construction costs, difficulty in obtaining high quality contractors and qualified employees and competition in attracting tenants, among other risks. Any such developments could have a material adverse effect on a Fund’s investments, financial condition, results of operations and prospects and there can be no assurances that attractive candidates will be found in sufficient quantity to allow all of the capital commitments to be drawn over the Fund’s investment period. There can be no guaranty that a Fund will be able to locate, complete and exit investments that satisfy its rate of return objectives, or realize upon their values, or that the Fund will be able to fully invest all funds committed for investment. If a Fund makes only a limited number of investments, the aggregate returns realized by the investors could be adversely affected in a material manner by the unfavorable performance of even one such investment.

***Impact of Government Regulations.*** Government authorities at all levels are actively involved in the regulation of land use and zoning, environmental protection and safety and other matters affecting the ownership, use and operation of real property. Regulations may be promulgated that could restrict or curtail certain usages of existing structures, or require that such structures be renovated or altered in some manner. The promulgation and enforcement of such regulations could increase expenses, and lower the income or rate of return, as well as adversely affect the value of any of a Fund’s investments. Operators are also subject to laws governing their relationship with employees, including minimum wage requirements, overtime, working conditions and work permit requirements. Compliance with, or changes in, these laws could reduce the revenue and profitability of a Fund.

***Failure to Maintain REIT Qualification.*** The Adviser may organize one or more entities treated as a real estate investment trust for U.S. federal income tax purposes (each, a “REIT”) through which a Fund may make investments. Qualification as a REIT involves the application of highly technical and complex provisions of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), for which there are only limited judicial or administrative interpretations, and the determination of various factual matters and circumstances not entirely within the REIT’s control. If any REIT fails to maintain its qualification as a REIT in any taxable year, and certain relief provisions do not apply, the REIT would be subject to tax on its taxable income at regular corporate

rates. In such an event, distributions by the REIT to a Fund or the limited partners would, to the extent of earnings and profits, be taxable to the limited partners as ordinary dividends.

***Concentration of Investments.*** A Fund may participate in a limited number of investments and may seek to make several investments in certain regions or sectors within a short period of time. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular sector may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer real estate and real estate-related assets and thus be less diversified.

***Illiquid Nature of Real Estate Investments.*** Generally, there will be no readily available market for a substantial amount of a Fund's investments. Dispositions of investments may be subject to legal, contractual and other limitations on transfer (including pre-payment penalties) or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof, and a Fund's ability to vary its portfolio in response to changes in economic and other conditions will be limited. There can be no assurance that a Fund will be able to dispose of an investment when it finds disposition advantageous, or that the sale price of any investment will recoup or exceed the amount of an investment by the Fund. Market illiquidity could prevent a Fund from effecting dispositions of its properties at desired times or require the Fund to accept "in kind consideration" and consequently result in distributions "in kind" to investors, which could negatively impact the return on such investments. Factors affecting conditions in the real estate debt markets may adversely affect a Fund's ability to refinance its debt as they mature. 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.

In addition, properties owned by a Fund may be subject to takings or eminent domain by the government. Any such exercise of eminent domain would allow a Fund to recover only the fair value of the affected properties. In addition, "fair value" could be substantially less than the real market value of our internal assessment of value of the property for a number of years, and a Fund could effectively have no profit potential from properties acquired by the government through eminent domain.

***Hedging Arrangements.*** The Adviser may (but is not obligated to) endeavor to manage a Fund's or any investment's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. A Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements may create for the Adviser and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission or other regulator or comply with an applicable exemption.

***Investments in Real Estate Debt.*** A Fund may hold direct or indirect investments in certain real estate-related debt instruments. In addition to the risks of borrower default (including loss of principal and nonpayment of interest) and the risks associated with real estate investments generally, real-estate related debt investments are subject to a variety of risks, including the risks of illiquidity, lack of control, mismanagement or decline in value of collateral, contested foreclosures, bankruptcy of the debtor, claims for lender liability, violations of usury laws and the imposition of common law or statutory restrictions on the exercise of contractual remedies for defaults of such investments. Debt investments have special inherent risks relative to collateral value. In the event of default, the source of repayment is limited to the value of the collateral and may be subordinate to other lien holders (and the collateral value of the property may be less than the outstanding amount of the investment). Real estate loans acquired by a Fund may be at the time of their acquisition, or may become after origination, participation or acquisition, non-performing for a wide variety of reasons. Non-performing real estate loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such loan. To the extent that a Fund purchases partial interests in non-performing loans, the Fund may not have control over the workout process and the management of the real estate assets. It may be necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by a Fund, and the foreclosure process can be lengthy and expensive.

***Development and Construction or Renovation Risks.*** A Fund's investments may include acquisitions which, following such acquisitions, may engage in real estate redevelopment. To the extent that a Fund invests in such assets or activities, it will be subject to the risks normally associated with such assets and redevelopment activities, including the possibility of redevelopment cost overruns and delays due to various factors (including inclement weather, labor or material shortages, the unavailability of construction and permanent financing and timely receipt of zoning and other regulatory approvals), the availability of both construction and permanent financing on favorable terms and market or site deterioration after the redevelopment decision being made. Any unanticipated delays or expenses could have an adverse effect on the results of operations and financial condition of a Fund. In addition, market conditions may change during the course of redevelopment that make such redevelopment less attractive than at the time it was commenced.

Moreover, a Fund's investments may have an ongoing need for renovations and other capital improvements. Certain of a Fund's properties are, and certain properties that such Fund may purchase may be, older properties that may require extensive renovations and other capital improvements. In the event that renovations and other capital expenditures are not made, such properties may become unattractive to customers, resulting in lower revenues generated at those properties. The customers of such properties also will require periodic capital improvements. In addition, lenders may require that certain annual amounts are set aside for capital improvements to a Fund's properties. Furthermore, refinancings and acquisitions or redevelopment of additional properties will require significant capital expenditures. If a Fund is unable to obtain the capital necessary to make required periodic capital expenditures and renovate its properties on favorable

terms, or at all, the business, financial condition, results of operations, cash flows of a Fund's investments and ultimately such Fund's ability to make distributions to limited partners could be materially and adversely affected.

***Potential Environmental Liabilities.*** Under various federal, state and local laws, ordinances and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefore as to any property are generally not limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the owner's ability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on a Fund's return from such investment.

***Casualty and Condemnation.*** Investments in real estate are subject to the risks of partial or total condemnation in accordance with applicable law or regulation and casualty, whether arising from destruction by fire, earthquake, flood, hurricane or otherwise. In either case, a Fund's investments (depending on such investments' status as lender, borrower or equity owner) may be subject to one or more of the following liabilities: (i) lenders may require prepayments of outstanding loans with any proceeds arising from a casualty or condemnation recovery event (i.e., insurance coverage), (ii) insurance coverage may not be sufficient to cover renewal of an investment, (iii) renovations or developments with respect to an investment may be delayed and (iv) a seller may bear the risk of loss for such casualty or condemnation in connection with the disposition of an investment through the date of disposition.

***Risks of Leverage.*** Each Fund intends to leverage investments with debt financing which may be non-recourse to the investors, other than potentially to the extent of their unfunded capital commitments. Although the use of leverage may enhance returns and increase the number of investments that can be made, it may also substantially increase the risk of loss of principal. The cost and availability of borrowing is highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast. During times when credit markets are unfavorable, it may be difficult to obtain or maintain the desired degree of borrowing. Borrowings may be required only at the time of disposition of the investments. To the extent that a Fund is unable to secure the amount of borrowing it is seeking, this may affect not only the number of investments the Fund can make, but could also have an adverse effect on the value of the investments and on the returns to investors. In some cases, it may not be possible to finalize the borrowing for a particular investment before its acquisition by a Fund. This may lead to situations where the financing gap may have to be bridged by a Fund. A Fund may also be required to provide security to credit providers, which could result in a higher risk exposure for the Fund than originally intended.

***Subscription Lines.*** A Fund may enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments). Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to

contribute capital on an accelerated basis if a Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against a Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in incremental partnership 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, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Governing Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation.

A credit agreement may contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, a subscription line may impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in the Fund. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners.

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

***Restricted Nature of Investment Positions.*** Generally, there will be no readily available market for a substantial number of each Fund's investments and hence, most of a Fund's investments will be difficult to value. Certain investments may be distributed in kind to a Fund's investors and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such investors. After a distribution of securities is made to the investors, many investors may decide to liquidate such securities within a short period of

time, which could have an adverse impact on the price of such securities. The price at which investors eventually sell such securities may be lower than the value of such securities determined pursuant to the relevant Governing Documents, including the value used to determine the amount of incentive compensation available to the Adviser with respect to such investment.

***Non-U.S. Investments.*** A Fund may invest in portfolio investments that are organized and/or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risks due, among other things, to potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates and capital repatriation regulations (as such regulations may be given effect during the term of a Fund) and the application of complex tax rules to cross border investments, possible imposition of non-U.S. taxes on a Fund and/or the partners with respect to such Fund's income, and possible non-U.S. tax return filing requirements for such Fund and/or the partners.

***Uncertain Economic, Social and Political Environment.*** Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio investments to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by such Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund's portfolio investments.

***Projections.*** Projected operating results of a portfolio investment in which a Fund invests normally will be based primarily on financial projections prepared by such portfolio investment's management, with adjustments to such projections made by the Adviser in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

***Need for Follow-On Investments.*** Following its initial investment in a given portfolio investment, the Adviser may decide to provide additional funds to such portfolio investment or may have the opportunity to increase its investment in a portfolio investment, whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There is no assurance that any Fund will make add-on investments or that any Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make add-on investments or its inability to make such investments may have a substantial negative impact on a portfolio investment in need of such an investment (including an

event of default under applicable debt documents in the event an equity cure cannot be made) or may result in a lost opportunity for such Fund to increase its participation in a successful operation.

***Public Company Holdings.*** A Fund's investment portfolio may contain debt and/or equity securities issued by publicly held companies. Such investments may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of such Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the Adviser's principals, and increased costs associated with each of the aforementioned risks.

***Lack of Unilateral Control.*** Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio investment, in certain circumstances it may not have unilateral control of the portfolio investment. To the extent a Fund invests alongside third parties, such as institutional co-investors or private funds of other sponsors, or makes a minority investment, the relevant portfolio investments may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the Fund or their investors. Such third parties may be in a position to take action contrary to a Fund's business, tax or other interests, and the Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment. When taking non-control positions, a Fund generally will seek to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that the Fund will be able to control the timing or occurrence of an exit strategy for such portfolio investments in a manner that maximizes or protects value.

***Material Non-Public Information; Other Regulatory Restrictions.*** As a result of the operations of the Adviser and its affiliates, the Adviser frequently comes into possession of confidential or material non-public information. Therefore, the Adviser and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, might have been undertaken on account of applicable securities laws or the Adviser's internal policies.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent the Adviser or the funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust remedies relating to one Fund's acquisition of a



portfolio company may require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of the Adviser's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by the Adviser or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

***Valuation of Investments.*** Generally, the Adviser and/or its affiliates will determine the value of all the Fund investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for all of a Fund's investments because, among other things, the interests of the portfolio investments held by such Fund generally will be illiquid and not quoted on any exchange. The Adviser and/or its affiliates will determine the value of all the Fund's investments as provided by the relevant Governing Documents and valuation policies. There can be no assurance that the Adviser and/or its affiliates will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of the Adviser and/or its affiliates with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by the Adviser and/or its affiliates may cause it to ineffectively manage the relevant Fund's investment portfolios and risks, and may also affect the diversification and management of such Fund's portfolio of investments.

***Cybersecurity Risks.*** Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a portfolio investment is subject to cyber-attack or other unauthorized access is gained to a portfolio investment's systems, such portfolio investment may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or financial information; (iii) real estate software, contact lists or other databases; (iv) real estate proprietary information or trade secrets; or (v) other items. In certain events, a portfolio investment's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio investment, or the relevant Fund, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at the Adviser or one of its service providers holding its financial or investor data, the Adviser, its affiliates or the Funds may also be at risk of loss and such loss could impact the Adviser's ability to manage the Funds.

***Dilution.*** Investors admitted to a Fund at subsequent closings participate in then-existing investments of such Fund, thereby diluting the interest of existing investors in such investments.

Although any such new investor generally is required to contribute its pro rata share of previously made capital contributions, there can be no assurance that such contribution will reflect the fair value of the relevant Fund's existing investments at the time of such contributions.

## **Conflicts of Interest**

The Adviser and its related entities are expected to engage in a range of advisory and non-advisory activities, including investment activities for their own account and for the account of Clients, and providing transaction-related, legal, management and other services to Clients and portfolio investments in which Clients invest. The Adviser will devote such time, personnel and internal resources as are necessary to conduct the business affairs of Clients in an appropriate manner, as required by the applicable Governing Documents, although Clients and their investments will place varying levels of demand on these over time. In the ordinary course of the Adviser conducting its activities, the interests of a Client may conflict with the interests of the Adviser, one or more portfolio investments or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, the Adviser will determine all matters relating to structuring transactions and Client operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the applicable Client.

The Adviser generally exercises its discretion to recommend to a Client or to a portfolio investment thereof that it contract for services with (i) the Adviser, GCP Asset Management or a related person of the Adviser or (ii) an entity with which the Adviser or its affiliates or current or former members of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit. For example, the Adviser may be presented with opportunities to receive financing and/or other services in connection with a Client's investments from certain related parties that are engaged in lending or related business. This discretion subjects the Adviser to conflicts of interest, because although the Adviser selects service providers that it believes are aligned with its operational strategies and will enhance portfolio investment performance and, relatedly, returns of a Client, the Adviser may have an incentive to recommend the related person because of its financial or other business interest. There is a possibility that the Adviser, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the Adviser), may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not the Adviser has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Although uncommon, from time to time, the Adviser may cause a Client to enter into a transaction whereby the Client purchases securities from, or sells securities to, other Clients managed by the Adviser, or co-investors or co-investment vehicles. Such transactions may arise in the context of re-balancing an investment among parallel investing entities or in contexts where a portfolio investment owned by one Client is acquired by a portfolio investment acquired by another Client. Any such transactions raise potential conflicts of interest, including where the investment of one Client supports the value of portfolio investment owned by another Client. These

conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the applicable Governing Documents or otherwise in the sole discretion of the Adviser, the Adviser may seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness of a purchase or sale price) or by obtaining the consent of the relevant Client(s) (including, where authorized, the consent of each Fund's advisory board) to such transactions. In certain circumstances, the Adviser may determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction to a Client under then-current market conditions. The Adviser intends that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to each Client under the circumstances, including a consideration of the potential present and future benefits with respect to each Client.

The Adviser, its affiliates, and equity holders, officers, principals and employees of the Adviser and its affiliates may buy or sell securities or other instruments that the Adviser has recommended to a Client. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of a Client. Employees and related persons of the Adviser are expected to have capital investments, in or alongside Clients, or in prospective portfolio investments directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore may have additional conflicting interests in connection with these investments.

Because certain expenses are paid for by a Client and/or its portfolio investments or, if incurred by the Adviser, are reimbursed by a Client and/or its portfolio investments, the Adviser will not necessarily seek out the lowest cost options when incurring (or causing a Client or its portfolio investments to incur) such expenses.

In addition, as described above, portfolio investments owned by a Client typically pay certain fees to service providers, including affiliated service providers, and other consultants (including consultants introduced or arranged by the Adviser and/or its affiliates that regularly provide services to one or more portfolio investments), and such fees generally do not offset the Management Fee as described in the Governing Documents. Such affiliates, consultants and joint venture partners generally make use of the Adviser resources or otherwise are associated with the Adviser. The Adviser and/or its affiliates may agree to compensate certain of such persons to the extent portfolio investment-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation as described in the applicable Governing Documents. Although the use of such affiliates, consultants and joint venture partners and the allocation of compensation paid to them by the Adviser, its affiliates and/or the portfolio investments subjects the Adviser and/or its affiliates to potential conflicts of interest, the Adviser believes that such potential conflicts may be reduced by the anticipated cost savings to portfolio investments (which is expected to be to the benefit of a Client) that will result if the cost of the affiliates, consultants and joint venture partners is lower than market rates for the services provided and/or if the services of the affiliates, consultants and joint venture partners align with the Adviser's model for the portfolio investment and improve the portfolio investment performance. Although the Adviser seeks to retain such service providers and consultants with a view to reducing costs to portfolio investments (and, ultimately, the applicable Client) and/or improving

portfolio investment performance, a number of factors may result in limited or no cost savings from such retention. The Adviser also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that the Adviser believes will align such persons' interests with those of a Client, and seeks to retain only consultants and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Although Adviser generally structures Clients to avoid cross-guarantees and other circumstances in which one Client bears liability for all or part of the obligations of another Client, in certain circumstances lenders and other market parties negotiate for the right to face only select Client entities, which may result in a single Client being solely liable for other Clients' share of the relevant obligation and/or joint and several liability among Client. A Client's undertaking the obligation generally will not receive compensation for being primarily liable under these arrangements.

As described in more detail in the relevant Fund's Governing Document, an investor in a Fund generally does not have the right to participate in the investment process or the day-to-day management of the Adviser. The General Partner may in certain situations choose to seek the approval of a majority of the members of a Fund's advisory committee with respect to potential conflict of interest situations. Such approval may be sought from investors having a majority of the aggregate limited partner commitments, or from those having a majority of the capital invested in a particular investment, depending upon the circumstances. Any such approval by the Fund's advisory committee or investors will be binding upon such Fund and its investors. To the extent members of a Fund's Advisory Committee or investors vote on any matter regarding conflicts or otherwise participate in matters involving a vote or action thereby, any such investors, as applicable, may have interests in other Clients or investment vehicles sponsored by other sponsors and, as a result, may not vote solely in accordance with their interests related to such Fund.

Any of these situations subjects the Adviser and/or its affiliates to potential conflicts of interest. The Adviser attempts to resolve such conflicts of interest in light of its obligations to each Client. To the extent that an investment or relationship raises particular conflicts of interest, the Adviser will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, the Adviser consults and receives consent to conflicts from the applicable Client.

#### **DISCIPLINARY INFORMATION**

The Adviser and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The Adviser expects to be affiliated with General Partners that will serve as general partners to future Funds and will generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

As described above, while the Adviser is not affiliated with or a related party of GLP and is independent of GLP, the Adviser has a relationship with GLP involving providing asset management services to GLP in relation to certain assets for which investment professionals of the Adviser formerly had responsibility in relation to their prior employment by GLP. Additionally, as further described above and in the applicable Governing Documents, it is the Adviser's practice to retain GCP Asset Management to provide Support Services to a Client or its portfolio investments.

Please refer to "Methods of Analysis, Investment Strategies and Risk of Loss — Conflicts of Interest" for a description of any material conflicts of interests and how the Adviser addresses such conflicts.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

The Adviser has adopted the Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of the Adviser's principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Adviser personnel to report their personal securities transactions, prohibits or requires pre-clearance for Adviser personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Adviser personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the Adviser's Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Adam Berns, the Adviser's Chief Compliance Officer, at (310) 356-0880. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

The Adviser and its affiliated persons may come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, the Adviser and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Adviser.

Accordingly, should the Adviser or any of its affiliated persons come into possession of material non-public or other confidential information with respect to public and non-public companies, the Adviser generally would be prohibited from communicating such information to Clients, and the Adviser will have no responsibility or liability for failing to disclose such

information to Clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Adviser personnel serving as directors of public companies and may restrict trading on behalf of Clients.

The Adviser and its affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in a Fund, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for a Client even though their investment objectives may be the same or similar. The operative documents and investment programs of certain Clients may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Clients or may give priority with respect to investments to such Clients. Some of these restrictions could be waived by such Account or investors (or their representatives) in such Funds.

### **BROKERAGE PRACTICES**

Due to the nature of each Client's investments, broker-dealers are not generally used for transactions. However, if a Client were to execute a transaction through a broker, dealer or underwriter, the Adviser's objective will be to obtain "best execution." The Adviser's success at obtaining best execution on any individual transaction will depend substantially on its judgment, knowledge and experience in evaluating the reliability and capability of each counterparty, adviser and service provider based on previous and pending transactions effected by the broker-dealer for client accounts.

### **REVIEW OF ACCOUNTS**

The investments made by a Client will be generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of investments. However, the Adviser monitors investments and the Adviser's Chief Compliance Officer periodically checks to confirm that each Client account is maintained in accordance with its stated objectives.

The Adviser will generally provide to Clients, (i) annual audited and quarterly unaudited financial statements, (ii) annual tax information necessary for a Client's tax return and (iii) annual reports providing a narrative summary of the status of each portfolio investment.

### **CLIENT REFERRALS AND OTHER COMPENSATION**

The Adviser and/or its affiliates may provide certain business or consulting services to companies in a Client's portfolio and may receive compensation from these companies in connection with such services. This compensation may not offset in whole or in part the Management Fees otherwise payable to the Adviser pursuant to the Governing Documents. *See* "Fees and Compensation."

### **CUSTODY**

To the extent the Adviser or its affiliates are deemed to have custody of a Client's assets, the relevant Fund will comply with Rule 206(4)-2 under the Advisers Act by meeting the

conditions of the pooled vehicle annual audit provision and the Adviser will maintain custody of assets held in the name of one or more Accounts with a qualified custodian who will provide periodic account statements to the relevant Accounts. Clients should review these financial statements carefully.

### **INVESTMENT DISCRETION**

Except as otherwise noted, the Adviser generally has discretionary authority to manage investments on behalf of each Client. As a general policy, the Adviser generally does not allow Clients, subject to certain rights as set forth in the Governing Documents, to place limitations on this authority.

With regard to certain Accounts, the Adviser provides non-discretionary advice as detailed in the applicable Management Agreement.

### **VOTING CLIENT SECURITIES**

Clients will primarily invest investments in securities of real estate and real estate-related assets and it is not expected that the Adviser will be required to vote proxies with respect to the assets owned by a Client. All conflicts of interest related to proxy voting will be resolved pursuant to the Adviser's written proxy voting policies and procedures in a manner consistent with the best interests of a Client. In situations where the Adviser perceives a material conflict of interest relating to a particular proxy proposal, the Adviser will require the proposal to be reviewed by the Chief Compliance Officer, who will determine how to vote the proxy in the manner consistent with the Clients' best interest. The Adviser will provide to a Client, upon request: (a) information pertaining to proxies voted by the Adviser on behalf of such Client and/or (b) a copy of the Adviser's proxy voting policies and procedures.

### **FINANCIAL INFORMATION**

The Adviser does not require prepayment of management fees six months or more in advance or have any other events requiring disclosure under this item of the Brochure.