

# CB Richard Ellis Value Investors, LLC

## Part 2A of Form ADV The Brochure

[www.cbreinvestors.com](http://www.cbreinvestors.com)

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This brochure provides information about the qualifications and business practices of CB Richard Ellis Value Investors, LLC (“CBREI”). If you have any questions about the contents of this brochure, please contact Pasha Zargarof, General Counsel and Chief Compliance Officer (Tel: 213-683-4200, email: [pzargarof@cbreinvestors.com](mailto:pzargarof@cbreinvestors.com)), or Aron Youngerwood, Assistant General Counsel ((Tel: 213-683-4200, email: [ayoungerwood@cbreinvestors.com](mailto:ayoungerwood@cbreinvestors.com))). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

## 2. Material Changes

CBREI's most recent update to Part 2 of Form ADV was made in August, 2009. CBREI's business activities have not changed materially since the time of that update. In 2010, the SEC required significant changes to the content and format of Part 2 of Form ADV, and this brochure, which reflects those changes, is materially different in format from brochures used by CBREI in prior years, and contain some information that was not previously required to be disclosed.

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## 4. Advisory Business

CB Richard Ellis Value Investors, L.L.C. ("CBREI" or "we") is an indirect, wholly owned subsidiary of CB Richard Ellis Group, Inc. (hereinafter, "CBRE") and a subsidiary of CB Richard Ellis Investors, LLC (a separately registered investment adviser). CBREI and operating subsidiaries provide real estate and real estate related investment and asset management services (including equity and debt, and, through CBRE Global Real Estate Securities, LLC, real estate securities) to clients through the United States and, through affiliates, in the United Kingdom, Europe and Asia. Clients and investors primarily consist of pension plans, investment funds and other institutions or organizations that seek to generate returns and diversification through investment in real estate and real estate related investments.

We act as sponsor, manager, general partner and/or investment adviser of a series U.S. commingled investment vehicles and programs, such as limited partnerships, limited liability companies and real estate investment trusts ("Investment Funds" or "clients"). We call these funds the "Strategic Partners U.S." funds. Our Investment Funds pursue a "Value Added" and

“Opportunistic” investment strategy (see Item 10) and make direct investments in real estate and real estate related investments, as well as in real estate ventures and operating companies.

Generally, our investor base for the Investment Funds includes large institutional investors, such as public and corporate pension plans. Many of these investors have their own independent consultant or adviser to assist them in their investment choices. Each investor in our Investment Funds is required to be (1) an “accredited investor” within the meaning of Regulation D promulgated under the Securities Act of 1933 and (2) a “qualified purchaser” as defined under the Investment Advisers Act of 1940. Each investor is also required, either alone or with its representative, to possess such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the method of investment and the compensation employed by CBREI or the funds.

We manage client assets consisting of real estate related investments held for investment purposes on a discretionary basis of approximately \$37.6 billion at December 31, 2010 which reflects the “Assets Under Management” or “AUM” of CBREI and its global affiliates<sup>1</sup>. Of this amount, CBREI’s AUM is \$7.7 billion with the assets managed by CBREI being on a discretionary basis.

We invest our own capital in many of our Investment Funds to align our interests with those of our investors – see Item 7, Types of Clients.

On February 15, 2011, CBRE and CB Richard Ellis Investors, LLC announced an agreement to acquire substantially all of the ING Real Estate Investment Management business in Europe and Asia and Clarion Real Estate Securities, ING’s global public real estate securities business. The transaction is expected to close in the second half of 2011. Please note that there is no guarantee that the transaction will close in such time period or at all. For more information on this transaction, please see the news release posted on CBREI’s website at [www.cbreinvestors.com](http://www.cbreinvestors.com).

## 5. Fees and Compensation

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<sup>1</sup> Assets under management (AUM) generally refers to the properties and other assets with respect to which we provide (or participate in) oversight, investment management services and other advice, and which generally consist of real estate properties or loans, securities portfolios and investments in operating companies and joint ventures. Our AUM is intended principally to reflect the extent of our presence in the real estate market, not the basis for determining our management fees. Our material assets under management consist of: a) the total fair market value of the real estate properties and other assets either wholly-owned or held by joint ventures and other entities in which our sponsored funds or investment vehicles and client accounts have invested or to which they have provided financing. Committed (but unfunded) capital from investors in our sponsored funds is not included in this component of our AUM. The value of development properties is included at estimated completion cost. In the case of real estate operating companies, the total value of real properties controlled by the companies, generally through joint ventures, is included in AUM; and b) the net asset value of our managed securities portfolios, including investments (which may be comprised of committed but uncalled capital) in private real estate funds under our fund of funds program. Our calculation of AUM may differ from the calculations of other asset managers, and as a result this measure may not be comparable to similar measures presented by other asset managers. Our definition of AUM is not based on any definition of assets under management that is set forth in the agreements governing the investment funds that we manage.

This brochure is intended to be provided only to “qualified purchasers,” as that term is defined in Section 2(a)(51) of the Investment Company Act of 1940, and does not contain CBREI’s fee schedule.

For its real estate investment advisory services, CBREI is usually paid some or all of the following fees (depending on the client): (1) an acquisition fee based upon the cost of an acquired asset; (2) a disposition fee based on the sales price of a sold asset; (3) an asset management or investment advisory fee based upon the amount of committed equity or the amount of equity invested in an Investment Fund; and (4) a performance or incentive fee from portfolio distributions or when an Investment Fund is liquidated (such performance or incentive fees are calculated based on the profits achieved for the Investment Fund). Performance fees are further described in Item 6, below.

All fees for Investment Funds are disclosed in the fund’s Private Placement Memorandum or prospectus and are set out in the constituent documents of those funds.

CBREI may also be an investor in an Investment Fund in which case it will receive its percentage interest of current income and gains/losses as an investor in addition to its investment advisory fees (as summarized above).

Our fees are exclusive of real estate brokerage commissions, service provider transaction fees, management fees, appraisal fees, custodial fees, and other related service provider costs and expenses, all of which are incurred by clients. Please refer to Item 12 for additional information regarding the use of service providers for client transactions, and in determining the reasonableness of their compensation, and refer to Item 10 regarding our use of affiliated entities for these functions.

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

CBREI charges a performance based fee for its sponsored Investment Funds which is based on surpassing a pre-specified return. Such fees follow a formula but typically are based on the realized returns of the Client’s assets under management. All performance-based income is calculated and paid in accordance with Section 205 and Rule 205-3 under the Investment Advisers Act of 1940.

Because all Investment Funds pay us roughly equivalent performance-based fees and each of our funds have successive vintages, including investment terms and fund terms, we generally believe that we do not face conflicts related to the side-by-side management of Investment Funds which do pay performance-based fees along with accounts that do not. However, we recognize that conflicts related to side-by-side management may exist for other reasons.

These risks are mitigated by our policies and procedures which seek to provide that investment decisions are made without consideration of our pecuniary interests, and instead are made in accordance with the governing legal documents relating to a client account and in accordance with our fiduciary duties to our Investment Funds and their underlying investors.

## 7. Types of Clients

CBREI serves as an investment manager or adviser of Investment Funds which were formed by CBREI to facilitate investment in commercial real estate by institutional investors. Such Investment Funds are typically formed as Delaware or Cayman limited partnerships or limited liability companies. CBREI provides management services directly to the Investment Funds. CBREI does not provide investment advice to the investors in the pool based upon their individual needs. Unless otherwise stated in a prospectus or other constituent documents for an Investment Fund, generally, the minimum required investment amount for a client is \$5 million, although CBREI and its subsidiaries have discretion to accept a lower investment amount.

Generally, a simple majority in interest of investors in an Investment Fund can terminate a CBREI subsidiary as the general partner of the fund, which would also have the effect of terminating CBREI's advisory relationship with the Investment Fund.

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

CBREI's objective is to obtain operating income and capital appreciation from real estate related investments for Investment Funds.

### Investment Strategies

The Strategic Partners U.S. series of closed-end commingled-fund vehicles utilizes value added and opportunistic strategies and have a dedicated team (the "team") managing the fund investments. This team employs a disciplined and research-based investment management process to maintain consistency and performance.

A description of certain key investment strategies that we pursue are as follows:

A "Value Added" strategy seeks to make real estate investments with a moderate risk profile and greater appreciation potential than core. Leverage is generally (but not always) limited to 60% loan to value. Property types are institutional-quality office, industrial, retail and residential.

An "Opportunistic" strategy seeks to make real estate investments with high-risk attributes and where returns are often largely dependent on future appreciation, for example, purchasing development properties or distressed properties via short sale, deed-in-lieu and foreclosure. Leverage can be 75% loan to value or greater. Investment types include office, industrial, retail, residential and real estate operating companies.

### Method of Analysis

Generally, the team focuses on investments in high-quality properties in highly rated major metropolitan areas.

We are an independently operated affiliate of CB Richard Ellis Group, Inc. (NYSE:CBG), and for the benefit of our clients, we seek to harness the research, investment sourcing and resources of CBRE, a leading real estate services company for the benefit of its investors.

The team has the benefit of the CB Richard Ellis platform and has direct access to the CB Richard Ellis network of leasing and investment professionals to identify and capitalize on potential investment opportunities available to the client. The team is also able to capitalize on the “real-time” market intelligence and established execution capabilities of the local CBRE offices comprising over 19,000 professionals located throughout the Americas. “On-the-ground” local market and tenant information including proprietary rental data, leasing activity and new development potential can be utilized to ensure that the advice provided to clients capitalizes on, and adjusts to changing market conditions.

The team utilizes a disciplined, research-based investment process. The process dictates a structured approach for the selection, underwriting, pricing, closing, operation and disposition of investments. Property-level operating and exit strategies are generally formulated during the acquisition phase of an investment and these strategies are continually re-evaluated based on the client’s investment strategy and the research outlook for the capital and property markets.

The team utilize a disciplined and detailed due diligence process that is designed to mitigate physical and financial risk and to uncover opportunities for creating value. The general focus of due diligence is to audit and challenge the information provided by the seller or developer and to evaluate broader opportunities represented by potential transactions. Third-party specialists are retained to inspect the physical and environmental aspects of any potential investment. In development transactions, the team may also retain third-parties to assess and evaluate development feasibility, construction risk, and development partner background. The team completes a detailed tenant review, including tenant interviews, to understand tenant creditworthiness and opportunities for value creation through negotiating improved rental rates or longer lease terms.

A key element of the underwriting and due-diligence processes includes input from leasing specialists in the local CB Richard Ellis offices. These leasing specialists often provide the team with “local market intelligence” including how the property is positioned and perceived in the marketplace, factors impacting tenant demand, strategic threats to the asset and opportunities to add value through repositioning strategies. In addition, working with these third-party specialists allows the team to prepare a more comprehensive capital expenditure budget that outlines the costs involved in repositioning an asset from a physical perspective including curing deferred maintenance issues.

Each Investment Fund has its own Investment Committee with primary responsibility for ensuring the proper execution of CBREI’s investment strategies and to ensure consistency in applying its investment management processes. These Committees have the authority to oversee and approve certain “Major Decisions” (e.g. acquisitions, dispositions, financings and new joint ventures) related to investments made on behalf of Clients. Each Investment Committee includes representatives of CBREI senior management as well as senior members of the dedicated investment team for the applicable investment program or operating unit. In addition, to ensure a

level of independence, our Investment Committees have an independent member with no affiliations to the team.

### Risks

Real property investments are subject to varying degrees of risk. The yields available from equity investments in real estate depend in large part on the amount of income generated and expenses incurred. If the investments do not generate revenues sufficient to meet operating expenses, including debt service, tenant improvements, leasing commissions and other capital expenditures, Clients may be required to fund or borrow additional amounts to cover fixed costs, and the cash flow of such Client account (and, with respect to Investment Funds, its ability to make distributions to shareholders) will be adversely affected. Although each Client will be investing in a range of investments, all real estate investments are speculative in nature and the possibility of partial or total loss of capital exists. Clients should not enter into an advisory relationship with us, and investors should not subscribe to or invest in an Investment Fund we manage unless they can readily bear the consequences of such loss. Revenues and the value of properties held by Clients may be adversely affected by a number of factors, including: the national, state and local economic climate and real estate conditions (such as oversupply of or reduced demand for space and changes in market rental rates); the perceptions of prospective tenants of the safety, convenience, location and attractiveness of the properties; our ability, on behalf of a Client, to provide or procure adequate management, maintenance and insurance for real estate properties held in Client accounts; the financial condition of tenants, buyers and sellers of property; the ability to collect on a timely basis all rent from tenants; the expense of periodically renovating, repairing and releasing spaces; structural or property level latent defects; uninsured losses or delays from casualties or condemnation (such as hurricanes, floods and earthquakes); increasing operating costs (including real estate taxes and utilities) which may not be passed through to tenants; and acts of God and other factors beyond our 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 from the property. In addition, real estate values and income from properties are also affected by such factors as compliance with applicable laws, including regarding zoning and usage, environmental and tax laws, interest rate levels and the availability of financing.

Real estate investments are relatively illiquid. Our ability to quickly modify the contents of a client portfolio in response to changes in economic and other conditions will be limited. There can be no assurance that a client will be able to dispose of an investment when it finds disposition advantageous or necessary or that the sale price of any disposition will recoup or exceed the amount of an investment by such client.

Additional risks associated with real estate development activities include the following: an Investment fund may abandon development activities after expending resources to determine their feasibility; the construction cost of a project may exceed original estimates; occupancy rates and rents at a newly completed property may not be sufficient to make the property profitable; financing may not be available on favorable terms for development of a property; and the

construction and lease up of a property may not be completed on schedule (resulting in increased debt service and construction costs) (in all cases including risks beyond the control of the applicable general Partner, such as weather or labor conditions or material shortages). Development activities are also subject to risks relating to inability to obtain, or delays in obtaining, necessary zoning, land-use, building occupancy and other required governmental permit or regulatory authorizations. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on an Investment Fund. If any of the above occurs, the ability of a fund to make distributions to its underlying investors could be adversely affected. In addition, new development activities, regardless of whether they are ultimately successful, may require a substantial portion of management's time and attention, and market conditions may change during the course of development that make such development less attractive than at the time it was commenced.

## **9. Disciplinary Information**

CBREI and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a Client's or prospective client's evaluation of the company or its personnel.

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

CBREI is primarily in the business of advising Clients on investments in real estate. The investments on which CBREI advises clients include equity investments in real estate, investments in mortgages secured by commercial real estate, and real estate related securities. As noted above, CBREI is an indirect, wholly owned subsidiary of CBRE.

CBRE is a leading diversified commercial real estate services firm, with operating divisions or subsidiaries in commercial real estate brokerage, mortgage banking, appraisal, property management and investment management.

On behalf of Clients, CBREI often engages affiliates for investment sales, property management, leasing, debt financing and other services from time to time. The affiliation with CBRE and access to the CBRE platform is a benefit that our Clients expect. However, having multiple affiliates that are in the real estate services business often gives rise to a conflict of interest if CBREI has discretion to select, or is responsible for recommending to a Client, service providers that are affiliates. To address this conflict, CBREI has instituted the following procedures:

1. *Client-Imposed Restrictions:* Investment management agreements for Separate Account clients and the partnership agreements for Investment Funds provide guidance and/or restrictions on the use of affiliated service providers. For example, some Separate Account clients may review and approve fees paid to affiliates and/or the proposed written agreements with affiliates, or require that the fees be confirmed by quotes or bids. With respect to Investment Fund clients, the use of affiliated service providers is generally disclosed in the offering document and the independent advisory board of the fund (usually composed of the



largest investors in the Investment Fund that are not affiliated with CBRE) typically reviews the rates and fees charged by affiliates.

2. *Written Agreements with Competitive Terms:* our employees endeavor to engage the best service providers in an applicable market (whether affiliates or unaffiliated third parties) with the most competitive fees and rates. Subject to client-imposed criteria or restrictions, when engaging CBRE affiliates, clients must receive fair, reasonable and competitive terms and fee rates that are commensurate with and no less favorable than those that would be negotiated with an unaffiliated third party on an arm's length basis providing comparable services in the local market. All service agreements with affiliates must be set forth in writing.
3. *Good Faith Selection and Arm's Length Treatment:* We must select any affiliated service providers in good faith and in furtherance of the best interests of the applicable client.

In connection with certain of CBREI's investment programs, CBREI has two affiliates that are separately registered as investment advisers with the SEC (CB Richard Ellis Investors, LLC and CB Richard Ellis Global Real Estate Securities, LLC). In addition, CBREI forms subsidiaries to act as the general partner, adviser, manager or similar position for particular Investment Funds. Such entities include: CB Richard Ellis Strategic Partners III, LLC, CB Richard Ellis Partners U.S. IV, LLC, CB Richard Ellis Partners U.S. Opportunity 5 GP, LLC, CB Richard Ellis Partners U.S. Value 5 GP, LLC, CBRE SP U.S. Opportunity 5 Wood Partners GP, L.L.C. and SP5 Wood Partners Development GP, L.L.C.

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

### Code of Ethics

CBREI has adopted a written Code of Ethics (the "Code") in its Compliance Manual which is in compliance with its obligations as a registered investment adviser with the Securities and Exchange Commission. The Compliance Manual is applicable and is made available to all employees. Among other things, the Compliance Manual requires CBREI and its employees to act in clients' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report on many types of personal securities transactions. CBREI's restrictions on personal securities trading apply to employees, as well as employees' family members living in the same household. All employees of CBREI are required to make annual certifications certifying that they are in compliance with the Compliance Manual. Clients, prospective clients, Investment Fund investors, and prospective investors may review a copy of the Code by contacting CBREI at the address or telephone number listed on the first page of this document.

The Code generally provides for the following:

- It is expected that all employees (i) conduct business with the highest level of ethical standards keeping in mind at all time the CBREI's fiduciary duties to its clients, (ii) promptly report violations of the Code, (iii) comply with all applicable federal securities

laws and (iv) avoid trading on receipt of material non-public information relating to a public company.

- The Chief Compliance Officer is responsible for getting appropriate acknowledgements of employees' receipt of the Code.
- The Chief Compliance Officer is responsible for maintaining and enforcing the Code, recording any violation of the Code and any actions taken as a result of any violation, and reporting any violation of the Code to the senior management of the company.
- CBREI has a duty to exercise its authority and responsibility for the benefit of its clients, to place the interests of its clients first, and to refrain from having outside interests that conflict with the interests of its clients.
- CBREI will not disclose any nonpublic personal information about a Client to any nonaffiliated third party unless the Client expressly gives permission to do so.
- CBREI has a duty to manage conflicts of interest to Clients.
- The Chief Compliance Officer is responsible for ensuring adequate supervision over the advisory activities of all persons who act on the CBREI's behalf. Specific duties include, but are not limited to:
  1. establishing procedures that could be reasonably expected to prevent and detect violations of the law by its advisory personnel;
  2. analyzing its operations and creating a system of controls to ensure compliance with applicable securities laws;
  3. ensuring that all advisory personnel fully understand the company's policies and procedures; and
  4. establishing an annual review system designed to provide reasonable assurance that the company's policies and procedures are effective and are being followed.
- The Chief Compliance Officer is responsible for collecting, reviewing and maintaining current and accurate records of all personal securities transactions of its supervisory and access persons.

#### Participation or Interest in Client Transactions

CBREI solicits investment from existing clients in new investment vehicles it sponsors after making full disclosure of any interest of CBREI or any related person. The decision whether or not to invest is made by the client or an independent fiduciary of the client.

For many of our Investment Funds, in order to align our interests with those of our investors, CBREI (or its principals and employees) invests alongside investors and on the same terms as investors, in amounts generally ranging from 1% up to 3% of the fund equity.

For our more recently organized Investment Funds, a significant portion of our expected compensation is calculated as a percentage of distributable profits after the fund has met agreed investment returns to the investors; this usually occurs in the later and final years of the fund. Compensation of our senior management, and principal fund managers, is based in part on our success in achieving these returns.

Based on the forgoing, CBREI believes that it has a strong incentive to achieve maximum returns to investors over the long term /life of the Investment Fund or Separate Account.

### Personal Trading

Certain supervisory persons are required to (1) report personal securities transactions on at least a quarterly basis, (2) provide a detailed summary of certain holdings and securities accounts (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest, and (3) pre-clear acquisitions of securities in IPOs or private placements. From time to time, securities of certain public companies are placed on a “restricted list” with such supervisory persons being restricted from trading in such securities without pre-clearance from the Chief Compliance Officer or the legal department.

## **12. Brokerage Practices**

On behalf of Clients, CBREI engages service providers and brokers for investment sales, property management, leasing, debt financing and other services from time to time. CBREI has investment discretion (under its management or fund agreements) to hire third party service providers, including real estate brokers and the commissions paid to those brokers. Because CBREI is affiliated with a real estate brokerage company, limitations are imposed on CBREI’s ability to select its affiliated brokerage company. For some Clients, our investment management agreements allow the Client to review and approve fees paid to affiliated brokers. In all cases, CBREI only pays commissions and other fees that are standard in the local market. Commissions and other fees are not affected by the research used in the investment process. Also see Item 10 for additional discussion of our selection of affiliates as service providers for Client transactions.

In engaging brokers and service providers, the CBREI investment team seeks to select the best service provider at a competitive fee structure. The team considers a number of selection criteria when deciding on the hiring of a service provider, including, but not limited to: recent experience in the local market and property type, both user and investor; depth and breadth of regional and national; team knowledge and capabilities; conflicts of interest; prior experience with the team and/or company; pricing analysis and recommendations; fee proposal; and preferences from counterparty (whether it is a seller, lender or joint venture party). Upon completion of the broker selection process, the team leader or the responsible asset manager will select a qualified broker and will execute an agreement (e.g. listing agreement).

## **13. Review of Accounts**

CBREI is a manager of real estate investments on behalf of clients. In that capacity, CBREI is involved on a day to day basis in directly managing real estate assets of its clients. No particular factor triggers review of assets. Each client portfolio is assigned to a senior director who is involved in supervising the management of the portfolio. In effect, the account is continuously under review.

Generally, major real estate investment decisions are made by an Investment Committee. CBREI requires that members of its Investment Committee have substantial experience in commercial real estate. See Item 8 for a further description of our Investment Committees.

Generally, CBREI provides quarterly reports to each client, which include a quarterly summary of financial information about real estate investments owned by the client, and a summary of any significant decisions regarding the real estate investments. Annually, clients receive a detailed financial statement together with such other information as is reasonably necessary in the judgment of CBREI to advise clients regarding the results of related real estate operations. Annual statements are generally audited by a nationally recognized CPA firm.

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

CBREI may from time to time establish a referral program for its employees and/or the employees of its parent company whereby such employees are compensated with referral fees for referring clients to CBREI (subject to certain conditions and compliance with Rule 206(4)-3 under the Investment Advisers Act of 1940).

## **15. Custody**

CBREI is deemed to have constructive custody of the assets of its Investment Funds under the SEC's definition of custody. In order to comply with SEC regulations, CBREI ensures that all Investment Funds are audited by a third party accounting firm no less than annually and sends the audited financial statements to all investors within 120 days.

## **16. Investment Discretion**

An Investment Fund for which we control investment acquisitions, financing and dispositions, directly or indirectly, is referred to as a "Discretionary Fund" or a "Discretionary Account". Our Investment Funds are Discretionary, and for these we control the fund and its subsidiary entities.

CBREI has investment discretion, under the fund agreements, to hire third party service providers, including real estate brokers and the commissions paid to those brokers. Because CBREI is affiliated with a real estate brokerage company, limitations are imposed on CBREI's ability to select its affiliated brokerage company. As noted in Items 10 and 12 above, some Clients' investment management agreements with us permit the independent advisory board of a client to review fees paid to affiliated brokers. In all cases, CBREI only pays commissions and other fees that are standard in the local market. Commissions and other fees are not affected by the research used in the investment process.

For Clients that have granted discretionary authority to CBREI, this authority is typically assumed through the constituent documents of an Investment Fund it advises.

## **17. Voting Client Securities**

CBREI typically does not purchase securities that require voting. To the extent voting may be required with respect to any investment made by CBREI, all major real estate investment decisions are made by an applicable Investment Committee.

## **18. Financial Information**

CBREI has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.