

**FIRM BROCHURE**  
**(PART 2A OF FORM ADV)**



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This brochure provides information about the qualifications and business practices of Rockpoint Group, L.L.C. ("Rockpoint"). If you have any questions regarding the contents of this Brochure, please contact Patrick Fox at 972-934-0100 and/or via electronic mail at [pfox@rockpointgroup.com](mailto:pfox@rockpointgroup.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, and references in this Brochure to Rockpoint as a "registered investment adviser" are not intended to imply a certain level of skill or training. The oral and written communications of Rockpoint provide you with information with which you may determine to hire or retain advisory services.

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

**Item 2 – Material Changes**

Rockpoint is a recently registered investment adviser with the United States Securities and Exchange Commission (the “SEC”). This is an interim update of the initial version of Rockpoint’s Form ADV Part 2A, (the “Brochure”), which was accepted by the SEC and became effective on March 31, 2012.

Rockpoint is required to amend its Brochure at least annually. Upon making material changes to the Brochure, Rockpoint must identify and discuss those changes as compared to the previous version of the Brochure, provide the date of the last annual update of its Brochure and provide a summary of these changes appears on this page or as a separate document accompany the Brochure.

In accordance with above, Rockpoint has chosen to file an interim update to its initial ADV Part 2A brochure A summary of the material changes are appears below:

1. General: The ADV has been generally revised to improve readability and ease of understanding its contents. Although not necessarily material, Rockpoint believes these changes were prudent, in the best interest of its Funds and investors, and demonstrate Rockpoint’s on-going efforts to meet both regulatory requirements and its fiduciary duty to its Funds and investors. These changes are most prominent in the responses to the following Items:
  - a. Item 4 - Advisory Business
  - b. Item 5 - Fees and Compensation
  - c. Item 6 - Performance Based Fees
  - d. Item 8b and 8c – Risks: Real estate centric risks have been consolidated and expanded under Item 8c
  - e. Item 12 - Brokerage Practices: Revised to provide a clearer response
2. Item 6: Performance Based Fees and Side by Side Management: Added information specifically addressing Side by Side Management;
3. Item 8b: Risks of Loss: The revolving credit facility referred to under “Leverage” has been completed’
4. Item 10: Other Financial Industry Activities and Affiliations: Under Item 10.d the response has been changed to reflect that Rockpoint does not engage in the practice of using other investments advisers for its Funds (and investors) and no material conflict of interest exists;
5. Item 11: Code of Ethics: Previously all employees were classified Supervised Persons and Access Persons. Access Persons no longer include all Supervised Persons;
6. Item 15: Custody: Revised to provide a clearer response; and
7. Item 17 – Voting Client Securities: Clarified that Rockpoint votes Fund securities

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**Item 4 – Advisory Business and Principal Owners**

*4a. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).*

Description of Advisory Business

Founded in 2003 by Keith B. Gelb, Patrick K. Fox, Gregory J. Hartman, Jonathan H. Paul and William H. Walton, Rockpoint is a real estate private equity firm that targets a broad range of real estate-related investments across a variety of asset classes and select geographic regions. Rockpoint is headquartered in Boston, MA, and maintains additional principal offices in the United States (Dallas, TX, Jacksonville, FL, San Francisco, CA) and overseas (London, UK, Luxemburg, and Tokyo, Japan).

Rockpoint provides discretionary investment advisory and management services regarding the investment and reinvestment of assets, for real estate private equity funds and certain co-investment or parallel investment vehicles (the “Funds”). Rockpoint places a particular focus on value creation opportunities, distressed/restructuring opportunities and complex situations where it believes has particular expertise and management experience (e.g. office, multi-family, hospitality, and residential land sectors).

The Funds are typically formed as limited partnerships with affiliate(s) of Rockpoint acting as the general partners of the Funds. Rockpoint is the managing member of each general partner. In certain cases, some of the investment vehicles used to facilitate Fund investments may have corporate or other structures and may or may not be domiciled in the United States.

Management Team and Principal Owners

Rockpoint is directly owned by its seven managing members, Brian D. Borg, Keith B. Gelb, Patrick K. Fox, Thomas F. Gilbane, Gregory J. Hartman, Aric M. Shalev and William H. Walton. Passive economic interests are held by current and former employees and by family trusts. Additional information relating to Rockpoint's ownership can be found on Schedule A of Rockpoint's Form ADV Part 1.

*4b. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.*

Rockpoint provides investment advisory and management services to pooled investments vehicles operating as private investment funds (the Funds) whereby the Funds invest in a broad range of real estate investments. Rockpoint attempts to optimize risk-adjusted returns by focusing on acquisitions of assets at discounted values relative to replacement costs, stabilized cash flows and comparable market sales, as well as avoiding opportunities where key value drivers are not real estate based. Rockpoint has broad discretion in making investments for the Funds. Outside of such services to the Funds, Rockpoint offers no other advisory or management services (e.g. financial planning, quantitative analysis, tax planning or market timing services).

Specific details relating to the advisory and management services provided to the Funds, including details relating to fees, liquidity rights and risks, amongst others, are fully disclosed in each Fund's confidential offering memorandum, as supplemented from time to time and governing documents (e.g. Limited Partnership Agreement(s) (together the “Offering Memoranda”)).

Each investor in the Funds must meet certain eligibility provisions whereby interests/shares are generally only offered to (i) U.S. investors who are (i) accredited investors within the meaning of Regulation D of the Securities Act of 1933, as amended ("Accredited Investors"), (ii) qualified purchasers within the meaning of Section 2(a)(51) of the Investment Company Act of 1940, as amended ("Qualified Purchasers"); and (iii) non-U.S. Investors.

Admission to the Funds managed by Rockpoint is not open to the general public.

*4c. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.*

Rockpoint does not tailor its advisory services to the individual needs of its Fund's investors, and such investors cannot impose restrictions on Rockpoint's ability to invest in certain types of investments or securities.

*4d. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.*

Rockpoint neither offers nor participates in wrap fee programs.

*4e. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date "as of" which you calculated the amounts.*

**Note:** *Your method for computing the amount of "client assets you manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A. However, if you choose to use a different method to compute "client assets you manage," you must keep documentation describing the method you use. The amount you disclose may be rounded to the nearest \$100,000. Your "as of" date must not be more than 90 days before the date you last updated your brochure in response to this Item 4.e*

Rockpoint has full discretionary authority for all assets under management ("AUM"). Consistent with SEC guidance, the AUM includes committed capital on which Rockpoint may earn a fee and which its Fund's investors are obligated to invest when "called" by Rockpoint. As of 12/31/11, the AUM of Rockpoint was \$3,622,339,812. Rockpoint does not plan to manage any client assets on a non-discretionary basis.

**Item 5 – Fees and Compensation**

*5a. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.*

**Note:** *If you are an SEC-registered adviser, you do not need to include this information in a brochure that is delivered only to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.*

Investors and prospective investors in the Funds should refer to the Offering Memoranda for each Fund for a detailed description of the fee schedules. As detailed below in Item 5.b, Rockpoint, in its sole discretion, may waive or reduce fees to be billed and paid by any investor in the Funds.

*5b. Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees*

The management fee is assessed by each Fund's General Partner to the investors of that Fund. The fee is billed and paid in arrears on the last day of each calendar quarter. In the event Rockpoint only advises a Fund for a portion of any quarter, the management fee for such quarter is prorated.

Generally, Rockpoint, or an affiliated entity, receives a management fee based on the relevant Fund's aggregate capital commitments during the applicable Fund's investment period, and based on invested capital thereafter. Rockpoint, or an affiliated entity, requests and collects fee payments from Fund investors via a capital call on at least a quarterly basis. Per each Fund's Offering Memoranda, Rockpoint is not permitted to directly deduct management fees from the Funds or the accounts of its investors.

Rockpoint, or an affiliated entity, may also receive periodic performance compensation, generally at the time of an investment's disposition, based on the net profits allocable to each Fund investor. Investors and prospective investors in the Funds should refer to each Fund's Offering Memoranda for a detailed description of its fees. Rockpoint, or an affiliated entity, may in its sole discretion, waive or reduce the fees to be paid by any investor, including investors that are principals, employees or affiliates of Rockpoint or relatives of such persons and for certain large or strategic investors.

*5c. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.*

**Expenses**

Rockpoint, or an affiliated entity, will pay the compensation of the personnel who act on their behalf relating to their duties and responsibilities and all their other overhead expenses. Typically this will include an investment advisory agreement between Rockpoint and one of its affiliates. Funds will be responsible for all fund-related expenses, including all travel and other out-of-pocket expenses incurred in connection with potential investments (whether or not consummated) and the evaluation, acquisition, ownership, sale, hedging, or financing of any investment, all litigation-related and indemnification expenses and all administrative expenses.

Rockpoint may provide accounting, reporting, data processing, legal, engineering, environmental, investment-level management and servicing, market research, and other similar services to Funds that would otherwise be performed by third parties. In such event, the Funds will reimburse Rockpoint at cost for such services, including employment costs and related overhead expenses, as reasonably determined by Rockpoint based upon the time expended by the persons who perform such services, provided that such reimbursements will not exceed the amount payable if such services were provided by third parties on an arms' length basis. In the event these fees and cost reimbursements exceed \$50,000 in the aggregate for a Fund in a year, the general partner(s) will report these costs

and reimbursements to the applicable Fund's Advisory Committee (please refer to the applicable Fund's Offering Memoranda for more information on its Advisory Committee). Rockpoint will not otherwise be entitled to reimbursement of its employment or other overhead expenses.

For certain items, the Fund's general partner(s) and/or their affiliates may advance their own funds to pay expenses if the Fund's funds are insufficient. Any such advances will bear interest at a rate per annum equal to the lesser of the applicable cost of funds or (i) for the first 30 days, the prime rate plus 1% and (ii) thereafter, the prime rate plus 3%.

Each Fund will also bear its organizational expenses and other expenses of its associated offering. Such expenses will be capped pursuant to the respective Fund Offering Memoranda.

For more detailed information and a complete description regarding each Fund's fees and expenses please refer to the applicable Fund's Offering Memoranda.

*5d. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.*

As noted above in Item 5b, management fees are neither billed nor required to be paid in advance. They are billed and paid quarterly in arrears. Accordingly, the issue of a refund for pre-paid fees should not occur.

*5e. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5e1, 5e2, 5e3 and 5e4.*

Not applicable to Rockpoint.

*5e1. Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.*

Not applicable to Rockpoint.

*5e2. Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.*

Not applicable to Rockpoint.

*5e3. If more than 50% of your revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.*

Not applicable to Rockpoint.

*5e4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.*

Not applicable to Rockpoint.

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

*If you or any of supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.*

**Performance Based Fees**

Rockpoint recognizes that it is a fiduciary and as such must act in the best interests of the Funds and their investors. Further, Rockpoint recognizes that it must treat all Funds and their respective investors fairly and must refrain from favoring one Fund or investor's interests over another's.

As noted in Item 5.b (regarding fees), Rockpoint, or an affiliate, may receive performance-based compensation from the Funds (although Rockpoint reserves the right to reduce, waive or calculate differently such fees for certain investors). The possibility that Rockpoint may receive performance-based compensation creates a potential conflict of interest in that it may create an incentive to make investments that are riskier or more speculative than in the absence of such performance-based compensation.

Prior to making an investment, each Fund's investors are provided with clear disclosure (via the applicable Offering Memoranda) as to how performance-based compensation is charged with respect to a particular Fund. Fund investors and potential investors are strongly encouraged to carefully review the applicable Fund Offering Memoranda for more detail on:

- (i) how the performance-based compensation of each Fund is calculated, including the associated methodology for valuing each Fund's investments; and
- (ii) the risks associated with such performance based compensation.

**Side by Side Management**

Under certain situations, as more fully described in the Funds' Offering Memoranda, the Funds general partner(s), Rockpoint or any of its affiliates or personnel are permitted to make investments on a side by side basis. Any such investment must be on terms no more favorable to the such side by side investment vehicle than the terms applicable to the Fund's investment and must be pre-approved by Rockpoint's senior management.



**Item 7 – Types of Clients**

*Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.*

As noted under Item 4 (“Advisory Business”), Rockpoint provides investment advisory and management services to pooled investment vehicles operating as private investment funds. Each Fund’s investors must meet the eligibility provisions outlined in Item 4.b. All Fund investments may be subject to a minimum initial investment amount per investor, subject to increase, decrease or waiver at the discretion of Rockpoint.

A Fund may enter into a side letter or other similar agreement with an investor without any further act, approval or vote of any other investor. This may have the effect of establishing rights under or altering or supplementing the terms of the respective governing documents with respect to such investor in a manner more favorable than those applicable to other investors. For example, co-investment vehicles may be organized to accommodate the specific legal, tax or regulatory needs of certain investors.

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

*8a. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.*

**Investment Strategies**

As specifically described in each Fund's Offering Memoranda, Rockpoint offers investment advisory and management services with regard to a broad range of real estate-related investments. This includes employing a fundamental, value strategy that focuses on acquiring real estate-related investments (primarily in the United States and select developed markets around the world) that involve:

- (i) value creation opportunities;
- (ii) distressed/restructuring opportunities; and
- (iii) complex situations requiring unique knowledge, experience, resources and/or expertise.

Rockpoint's flexibility to invest across markets, property types, and capital structures is central to its investment strategies. Rockpoint believes this allows it to maximize risk-adjusted returns for its Funds by proactively selecting specific investment types given the current market conditions which may exist at any particular point-in-time. In terms of market selection, to build an investment portfolio for its Funds that maximizes risk-adjusted returns, Rockpoint focuses primarily on real-estate markets that it believes share a common set of attributes including, but not limited to:

- (i) strong long-term economic drivers;
- (ii) constraints on new supply;
- (iii) scale and long-term liquidity; and
- (iv) transparent and well-developed legal systems.

As a result, Rockpoint believes that by utilizing these strategies it enables its Funds to acquire investments with intrinsic long-term value at discounted values relative to replacement costs, stabilized cash flow and comparable market sales, while avoiding investments where Rockpoint believes the key factors affecting an investment's value are not real estate-based. Taken together, these strategies are also important to providing investors with protection against significant loss.

**Methods of Analysis**

Rockpoint believes it offers an unique investment process that utilizes proactive and reactive methods of analysis which has identified attractive investments for its Funds' investors and can continue to do so (while also being consistent with the Funds' investment strategies and investment parameters). Rockpoint's methods of analysis include, but are not limited to:

- (i) taking a geographically focused approach to investment opportunities that emphasizes the United States and select developed markets around the world;
- (ii) utilizing methods that provide Rockpoint with flexibility to invest in multiple markets and products;
- (iii) creating and modeling complex structuring opportunities;
- (iv) utilizing both proactive and reactive approaches when identifying investment opportunities; and

- (v) evaluating and re-evaluating constantly changing real estate markets in order to continually identify unique opportunities in particular investment types, improve management methods for specific investments and review alternative investment exit strategies that did not exist or did not appear to be the optimal choice at the time of initial investment.

Implementing Rockpoint's investments and methods of analysis requires Rockpoint's professionals to:

- (i) evaluate identified real estate opportunities and markets;
- (ii) proactively seek investment opportunities through their relationships and market knowledge;
- (iii) engage economic and property market research firms to help develop a broader macroeconomic perspective while also supplementing their own hands-on research;
- (iv) evaluate multiple capital and deal structures in order to identify what they believe to be those that offer the best risk/reward profile for the Funds and their investors; and
- (v) follow a disciplined investment process (which is summarized below).

#### Investment Process

Rockpoint follows an "end to end" process whereby Rockpoint is involved from transaction sourcing and underwriting of investment opportunities to managing the investments through their ultimate disposition. Key components of this process are:

##### *Transaction Sourcing*

The Rockpoint team includes senior acquisitions and asset management professionals in most of the major markets in which it invests, including in the United States, Europe, the United Kingdom and Japan. These local professionals maintain and continue to build substantive industry relationships with operating partners, advisors, agents, lenders, and owners of real estate. Rockpoint believes that the tenure and cohesiveness of the Rockpoint team, combined with their experience investing across property types, capital structures, and geographies, enhances Rockpoint's ability to competitively find attractive new opportunities.

##### *Disciplined Underwriting and Due Diligence*

Once a potential acquisition opportunity has been identified, Rockpoint completes an underwriting of both historical and current information, including asset-specific information as well as both regional and submarket-specific data. This information typically includes comparable asset sales and revenue data, replacement cost, any new supply being built, and projected demand and economic and demographic indicators. During this phase, Rockpoint establishes a plan for executing its strategy. Upon the completion of this analysis, Rockpoint performs due diligence with respect to the opportunity, typically including legal, tax, zoning, market, physical, and environmental reviews. This process is led by senior Rockpoint personnel utilizing, where appropriate, external advisors, including engineers, architects, attorneys, and accountants. Before an asset is acquired, the due diligence findings are reviewed by the Management Committee and the Investment Committee. The investment is subject to final approval by the Management Committee. Please refer each Fund's Offering Memoranda for more information about these committees.

*Establishing of Capital Structure*

During the underwriting process, consideration is given to both unleveraged and leveraged returns based on the unique risk return profile of the asset. Once an asset is acquired, Rockpoint utilizes its in-house structuring experience to optimize the capital structure, balancing leveraged returns against asset-level risk, debt-service coverage ratio and other considerations and taking into consideration both economic and non-economic factors.

*Selecting Transaction Structure*

When selecting transaction structure for any single investment, Rockpoint often maintains equity ownership of real estate assets. By doing so, Rockpoint is better positioned to retain control over major decisions related to an investment, thereby enabling Rockpoint to maximize and leverage the depth and breadth of its experience and expertise in adding value to the investment.

Rockpoint has also developed substantial areas of expertise investing without direct equity ownership. These areas include:

- (i) originating subordinated loans or preferred equity investments;
- (ii) acquiring first mortgage interests or mezzanine loans at discounts; and
- (iii) utilizing debt and debt-like investments in instances where it believes: (a) there may be a unique opportunity to own real estate at a very attractive cost basis in a distressed/restructuring situation; or (b) it is possible to generate compelling returns while mitigating downside risk when compared to an equity investment.

*Directing Asset Management*

During ownership of a property, Rockpoint actively manages the investment, leveraging operating partners when appropriate. By using this hands-on approach, Rockpoint's senior investment staff and asset management team can usually make changes when necessary in order to maintain the focus of the investment strategy, whether it involves actively increasing revenue, overseeing property or asset improvements or the reduction of operating expenses to improve net operating income. To complement its personnel, Rockpoint will engage, when appropriate, third parties, including engineers, attorneys, architects, and consultants to help it successfully implement the strategy developed for each investment.

*Risk Management*

Throughout the lifecycle of each Fund, Rockpoint seeks to identify, manage and mitigate various risks in order to maximize the potential of achieving each Fund's investment objectives. Rockpoint conducts extensive due diligence, both prior and after investing, which serves as its primary risk management tool. Rockpoint is focused on managing the risks associated with the Funds' portfolio companies and monitors the risk level of these company's profiles on an ongoing basis. In addition to the consideration of risk factors associated with each investment within a Fund, Rockpoint has implemented a risk management program that includes a comprehensive master insurance policy, financial controls, and a centralized signature policy.

*Following Investment Restrictions*

As dictated in the respective Funds Offering Memoranda, the Funds are generally restricted on the amount of aggregate capital commitments they can make (i) in a single investment, (ii) outside the United States and in certain emerging markets, and (iii) in unentitled land.

*Deliberately Focusing on Dispositions and Recapitalizations*

Although at the time each investment within a Fund is made, a target hold period is established, Rockpoint may take advantage of opportunities to realize gains and/or reduce risk. This is central to Rockpoint's investment return objective of being able to return capital to investors on a timely basis.

Risk of Loss

Investments in the Funds entails numerous risks of varying degrees of risk which should be undertaken only by investors capable of evaluating and bearing them. Risks include the potential loss of some or all of an investor's capital investment. Please refer to Item 8b (below) and the each Fund's Offering Memoranda for more comprehensive information on risks.

*8b. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.*

Investments in the Funds entail a variety of risks, each of which involves a unique degree of risk. These risks should be undertaken only by investors capable of evaluating and bearing them. Discussed below are some, but not all risks, associated with investing in the Funds. For a more detailed disclosure of the potential risk factors associated with investing in a particular Fund, prospective investors should refer to the risk factors listed in that Fund's Offering Memoranda, together with all of the other information included in the Offering Memoranda, before deciding to invest the Fund(s).

No Assurance of Investment Return and Risk of Loss

Investing with Rockpoint involves certain significant risks including loss of some or all of an investor's capital investment. There is no assurance that a Fund will be able to invest its capital on attractive terms or continue to generate positive returns or avoid losses for its investors over the long term. It is possible that some of the investment vehicles and direct investments selected by Rockpoint will not perform as anticipated. Depending on conditions and trends in the financial and real estate markets and the economy in general, Rockpoint may pursue any objectives, employ any investment techniques or purchase any type of investment that it considers appropriate and in the best interests of clients that may not be described above subject to restrictions imposed by clients. There can be no assurance that Rockpoint's investment strategy will achieve profitable results, and results may vary substantially over time. Past performance of a Fund managed by Rockpoint or past performance of Rockpoint or its affiliates are not indicative of future results. Investors risk the loss of their entire investment.

Investors May Not Receive Distributions

There can be no assurance that the Funds' operations will be profitable or that cash from investments will be sufficient to enable the Funds to make distributions to investors. The Funds will have no source of funds from which to pay distributions to the investors other than income and gains received from investments and the return of capital.

Limited Current Return

The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment. It is expected that certain types of investments will not be sold until a number of years after they are made. Although current returns from investments may vary, prior to a partial or complete disposition, there will generally be no or a limited current return on an investment, and Rockpoint is not obligated to manage investments to maximize

current returns. Dispositions of investments may also be subject to contractual limitations on transfer or other restrictions that would interfere with the subsequent disposition of such investments or adversely affect the terms that could be obtained upon any disposition thereof. As a result, there is a significant risk that a Fund may be unable to realize its investment objectives by sale or other disposition at attractive prices or will otherwise be unable to complete any exit strategy.

#### The Management Fee Will Be Paid to Rockpoint Regardless of Fund Performance

Whether or not suitable investment opportunities are available to the Funds and regardless of whether the Funds experiences net losses in a particular year or over the terms of the Funds, investors will be required to make payments to the Funds to cover each Fund's general partner's management fee and reimbursement of certain expenses.

#### Lack of Investor Management Rights

Investors have no right or power to take part in the management of a Fund and will only have limited rights to remove a Fund's general partner. Accordingly, an investor should not purchase Fund interests unless such investor is willing to entrust all aspects of the management of the Fund to Rockpoint and the Fund's general partner.

#### Lack of Liquidity of Investments

The Investments made by Rockpoint are likely to be illiquid. Dispositions of investments may also be subject to limitations on transfer or other restrictions that would interfere with sales of such investments or adversely affect the terms that could be obtained upon any disposition.

#### Limited Diversification and Concentration of Investments

There can be no assurance as to the degree of diversification that will be achieved in Rockpoint-managed Funds either by geographic region, number of assets, or asset type. Rockpoint may make investments involving contemplated sales or refinancings that do not actually occur as expected, which could lead to increased risk as a result of Funds having an unintended long-term investment and reduced diversification.

A relatively high percentage of the Fund's total capital may be invested in a single or a few portfolio investments to which any single loss may have a significant adverse impact on the Fund's capital. To the extent a Fund concentrates its investments in one or more specific property types or in a limited number of properties or geographic areas, the Fund will be subject to risks of adverse events or conditions which particularly affect the Fund's areas of concentration, and the Fund could be more adversely affected than if its investments were more diverse as to type, number and/or geographic location.

#### Leverage

Rockpoint may use significant leverage in connection with its Funds' investments and operations. Doing so may substantially increase the risk of loss because it increases the exposure of investments to adverse economic factors such as rising interest rates, severe economic downturns, or deteriorations in the condition of an investment or its market. In the event an investment is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of a Fund's equity investment in an investment could be significantly reduced or even eliminated through foreclosure. For more information on each Fund's use of leverage, please refer to its Offering Memoranda

Rockpoint has obtained a revolving credit facility for its Funds, which is secured by investors' capital commitments and the Funds' investments. Any inability of a Fund to repay these

borrowings could enable a lender to take action against the limited partners to the extent of their then remaining capital commitments and/or foreclose upon the Fund's interests in its investments.

#### Adverse Economic Conditions

Funds may be adversely affected by economic challenges experienced by the national economies in the countries in which its investments are located or by the local, regional economic conditions in the markets in which its investments are located. These challenges could cause a deterioration in underlying property values and could inhibit a Fund's ability to obtain financing to acquire investments, to complete development or improvement plans with respect to investments or to secure necessary refinancing. To the extent an investment is a rental property, a Fund could also be adversely affected by these economic challenges through (i) tenants' difficulty in paying rent, (ii) tenants' unwillingness to enter into or renew leases on favorable terms or at all, (iii) tenants seeking to terminate their leases or seeking downward rent adjustments, or (iv) tenants' liquidations or bankruptcies. Investments in the hospitality industry could also be adversely affected by a decline in travel and discretionary spending.

#### Risk of Strategic Partnership

Funds may co-invest with third parties through partnerships, joint ventures, or other entities, which subjects the Fund to particular risks not present in direct investments. These include the possibility that a co-venturer or partner of the Fund might suffer financial difficulties or become bankrupt, or may at any time have economic or business interests or goals which are inconsistent or contrary with those of the Fund. Furthermore, if such partner defaults on its funding obligations, it may be difficult for the Fund to make up the shortfall from other sources. The Fund may be required to make additional contributions to replace such shortfall, thereby reducing the diversification of its investments. Any default by such partner could have an extremely deleterious effect on the Fund. In addition, the Fund may be liable for the actions of its co-venturers or partners

#### Non-U.S. Investments

A Fund may make investments in a number of countries outside the U.S., some of which may prove to be unstable. With any Investment in a non-United States country, there exists the risk of adverse political developments, including nationalization, confiscation without fair compensation, terrorism, or war. Furthermore, in the case of investments in non-United States securities or other assets, any fluctuation in currency exchange rates will affect the value of the investments and any restrictions imposed to prevent capital flight may make it difficult or impossible to exchange or repatriate non-U.S. currency. In addition, laws and regulations of non-United States countries may impose restrictions or approvals that would not exist in the United States and may require financing and structuring alternatives that differ significantly from those customarily used in the United States. Non-United States countries also may impose taxes on a Fund. Rockpoint analyzes risks in the applicable non-United States countries before making such investments, but no assurance can be given that a political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by the Fund.

#### Emerging Market Risks

Investors should consider a number of risks associated with investments which may be made in emerging markets countries, particularly in situations where the investments are illiquid. The economies of individual emerging countries may differ from those of developed countries in such respects as growth of gross domestic product, rate of inflation, currency depreciation, capital reinvestment, resource self-sufficiency, and balance of payments position. Governments of many emerging markets countries have exercised and continue to exercise substantial influence over many aspects of the private sector. With respect to any emerging markets country, there is the possibility of nationalization, expropriation or confiscatory taxation, political changes, government regulation, economic or social instability, or diplomatic developments (including war or civil

unrest) which could adversely affect the economies of such countries or the value of Funds' investments in those countries.

Some emerging markets countries have laws and regulations that currently limit or preclude direct foreign investment in real estate or the securities of their companies or include prior government approval for foreign investments. Many emerging markets do not have developed legal frameworks, well-developed shareholder rights or adequate legal remedies for breaches of contract. In terms of transparency, companies in emerging markets countries are not generally subject to uniform accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to United States companies. Accordingly, a Fund's ability to conduct due diligence in connection with its investment and to monitor the investment may be adversely affected by these factors.

*8c. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.*

Real estate investments are subject to various real estate specific risks. These include, but are not limited to:

- adverse changes in regional, national, or international economic conditions;
- adverse local market conditions;;
- adverse changes in the underlying value of the investment;;
- the financial condition of tenants, buyers, and sellers of properties;;
- changes in the terms, amount, or availability of debt financing;;
- changes in interest rates, real estate tax rates, the price of insurance, and other operating expenses;
- energy prices;
- changes in popularity of property types and locations;
- presence of certain construction materials;
- environmental laws and regulations;
- zoning laws and other governmental rules and fiscal policies;
- eminent domain;
- governmental regulation and changes to those regulations that may result in increased costs with respect to investments;
- environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems or as to which inadequate reserves had been established;
- dependence on cash flow
- potential limited recourse against prior owners or third parties with respect to unknown liabilities
- uninsurable losses, including inadequate coverage against liability to third parties and property damage; and
- acts of God, and other factors beyond the control of Rockpoint.

In addition to the risks described above Rockpoint Funds' real estate investments may also entail additional material risks which include, but are not limited to:

#### Investment in Troubled Assets

A Fund may make investments in non-performing or other troubled assets, which involve a significant degree of financial risk. A Fund may invest in distressed real estate loans or claims, which present more credit risk than investment-grade issues, and involve a risk of loss in case of default or insolvency of the issuer, particularly if the obligation is unsecured.



Multi-Family Residential Properties

The Fund may invest in multifamily residential properties which may involve particular risks. These risk factors may affect the value and successful operation of such properties, including: physical attributes of the property such as its age, condition, design, appearance, access to transportation and construction quality; location of the property; ability of management to provide adequate maintenance and insurance; the types of services or amenities that the property provides; the property's reputation; the level of mortgage interest rates, presence of competing properties; the tenant mix, (such as the tenant population being predominantly students or being heavily dependent on workers from a particular business or local industry); and adverse local economic conditions, which may limit the amount of rent that may be charged and may result in a reduction of timely rent payments or a reduction in occupancy levels.

State and local regulations may affect the building owner's ability to increase rent to the level of market rents for an equivalent apartment; government assistance/rent subsidy programs; and the inventory of unsold condominium units in the local market that are being rented until economic conditions in the condominium market improve. If any of such risk factors increase or cited conditions deteriorates in the continuing economic crisis, the Fund's investments in multifamily properties may incur losses. Besides, local, state and federal ordinances and regulation that govern the landlord-tenant relationship, some counties and/or municipalities impose rent control on apartment buildings. These ordinances may limit rent increases to fixed percentages approved by a government agency or limited to increases in the consumer price index, or encourage individuals to own rather than lease properties.

Office Properties

The Fund may invest in office properties, which subjects the Fund to particular risks. These risk factors include the effect on such properties by the demand for office space locally, the impact of the recession on the local market and the building's tenants; the quality of an office building's tenants; an economic decline in the business operated by the tenants or the local economy in general; the physical attributes of the building in relation to competing buildings (e.g., age, condition, design, appearance, amenities and location), access to transportation, and the reliance on a single or dominant tenant.

Hospitality Properties

To the extent the Funds makes direct investments in: hospitality properties, debt on hospitality properties, or entities that manage or own hospitality properties; these investments subject the Fund(s) to particular economic and operating risks. For example, the recent economic downturn (often referred to as the "Great Recession," the slow recovery from it, and the continued uncertainty of its breadth, depth and possibility of a renewed downturn have left unclear whether the lodging industry will continue to face reduce demand for hotel rooms in the properties in which the Funds may invest. As a result the reduction of room rates or offering of comparable incentives (including free nights) by upscale/luxury hotels could further exert downward pressure on demand for, and room rates, of mid-scale hotel properties. Hospitality properties are also subject to certain operating risks. For example, if a property's occupancy or room rates drop to the point where its revenues are insufficient to cover its operating expenses, then additional funds, including reserves, will need to be expended to cover such property's operating expenses.

Certain hotels acquired by or invested in by the Funds may be managed by third-party hotel management companies pursuant to management agreements. Accordingly, the hotel's business and operating results depend in large part upon the performance of these hotel management companies. While the Funds will seek to invest in hotel properties with quality management in place, there is no guarantee that the third party management company (or operating lessee) for any given hotel property will meet the performance objectives desired by the Funds.

More so than other property types, hospitality properties are saddled with an ongoing obligation to make renovations and other capital improvements in order to stay competitive. There is a risk that cash flow from operations and reserves may be inadequate to fund capital improvements, and financing for these capital improvements may not be available to the Fund's properties on affordable terms. Also, hotel properties may not readily be converted to alternative uses if they were to become unprofitable due to competition, age of improvements, decreased demand or and the required substantial capital expenditures for such a conversion.

**Item 9 – Disciplinary Information**

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9a, 9b, and 9c list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a *management person* has been *involved* in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the *management person's* favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the “date” of an event is the date that the final *order*, judgment, or decree was entered, or the date that any rights of appeal from preliminary *orders*, judgments or decrees lapsed.

Items 9a, 9b, and 9c do not contain an exclusive list of material disciplinary events. If your advisory firm or a *management person* has been *involved* in a legal or disciplinary event that is not listed in Items 9a, 9b, or 9c, but nonetheless is material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a *client's* or prospective *client's* evaluation.

*9a. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a management person*

- 1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;*
- 2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;*
- 3. was found to have been involved in a violation of an investment-related statute or regulation; or*
- 4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order*

Not applicable. There are no such pending legal, regulatory or industry proceedings against Rockpoint or any of its professionals, including management persons.

*9b. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person*

- 1. was found to have caused an investment-related business to lose its authorization to do business; or*
- 2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority*
  - (a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;*

- (b) *barring or suspending your firm's or a management person's association with an investment-related business;*
- (c) *otherwise significantly limiting your firm's or a management person's investment-related activities; or*
- (d) *imposing a civil money penalty of more than \$2,500 on your firm or a management person.*

Not applicable. There are no such pending legal, regulatory or industry proceedings against Rockpoint or any of its professionals, including management persons.

*9c. A self-regulatory organization (SRO) proceeding in which your firm or a management person*

- 1. *was found to have caused an investment-related business to lose its authorization to do business; or*
- 2. *was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.*

**Note:** *You may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, you are not required to disclose it. When you review a legal or disciplinary event involving your firm or a management person to determine whether it is appropriate to rebut the presumption of materiality, you should consider all of the following factors: (1) the proximity of the person involved in the disciplinary event to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If you conclude that the materiality presumption has been overcome, you must prepare and maintain a file memorandum of your determination in your records. See SEC rule 204-2(a)(14)(iii).*

Not applicable. There are no such SRO proceedings pending against Rockpoint or any of its professionals, including management persons.

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

*10a. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.*

Not applicable to Rockpoint.

*10b. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.*

Not applicable to Rockpoint.

*10c. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.*

**Management of Non-Rockpoint Funds and Investments**

Rockpoint serves as the manager of the Funds and, either directly or through affiliated entities, serves as the general partner (or in a similar capacity) to the Funds.

Certain of the Rockpoint founding Managing Members also serve as managing members of Westbrook Real Estate Partners, L.L.C. ("WREP"), an investment advisor to private real estate investment pools founded in 1994. Collectively, they hold a majority of the voting interests in the entities responsible for the continued management of the four opportunistic investment vehicles sponsored by WREP. In 2003, WREP determined that it would not sponsor additional investment funds and the Rockpoint founding managing member, along with a managing member that is now retired and several senior real estate professionals, formed Rockpoint. The remaining managing members and real estate professionals of WREP formed a new company and continue to operate under another Westbrook name ("Westbrook"). As such, Rockpoint is not associated with the funds sponsored by Westbrook after 2003. As the client funds of WREP are no longer actively managed and are awaiting liquidation or closure, the time commitment of Rockpoint's managing members with respect to WREP is limited.

The investment activities conducted by Rockpoint on behalf of any of its individual Funds may be directly or indirectly competitive with the interests of other Funds, and conflicts may arise in determining whether an investment opportunity will be offered to any individual Rockpoint Fund.

In the future, instances may arise where the interests of Rockpoint or the Fund's general partner(s) conflict with the interests of the Fund and its investors. The Funds are permitted under certain circumstances to co-invest with affiliates of the general partners and conflicts of interest may arise between Rockpoint, a Fund and such affiliates with such co-investments.

**Allocation of Personnel**

As discussed above, the time commitment of Rockpoint's managing members with respect to WREP is limited and Fund employees are expected to devote such time as shall be necessary to conduct the business affairs of the Funds in an appropriate manner. However, Rockpoint and WREP will share a limited number of employees and employees may work at times on other projects besides those related to the Funds. Therefore, conflicts may arise in the allocation of employee time.

Outside Activities

Although Rockpoint and its affiliates act on behalf of the Funds, Rockpoint, its affiliates and/or employees may carry on investment activities for other clients, including other investment funds sponsored by Rockpoint or its affiliates, in which the Funds may have no interest. In particular, employees of Rockpoint may serve on boards of directors at companies in which the Funds invest, either directly or indirectly, and/or compete with. Serving in such a capacity may expose such employee, and by association Rockpoint and the Funds, to certain limitations on the ability to trade the securities of the issuer company and certain conflicts of interest. As a result of such service, an employee may become aware, from time to time, of material non-public information about a company or transaction in which the Fund(s) invest (or consider doing so), and the employee's knowledge is likely to be attributed to Rockpoint and the Funds; therefore, the Funds' ability to trade the securities of such company may become substantially restricted. The Funds' ability to buy and sell such securities may be limited to such times as company insiders are permitted to do so. Such limitations may cause the Funds to forgo sales that it would otherwise make, thereby exposing the Funds to losses, or to forgo purchases, thereby exposing the Funds to lost opportunities. Rockpoint and the Funds may also be subject to Section 16 of the Securities Exchange Act of 1934, as amended, including the disclosure requirements, the restrictions on purchases and sales, and the disgorgement of profits in certain circumstances. An employee serving as a director of a company owned, directly or indirectly, by the Funds may also face a conflict between the fiduciary duties owed by such employee to the Funds and the duties owed to such company. In such circumstances, an employee may act in ways that are in the best interests of such company but not the Funds. Rockpoint maintains internal compliance policies that are intended to minimize the negative effects of such conflicts if they arise, and intends to prevent employees from taking such positions when, in Rockpoint's determination, the potential risks to the Funds outweigh the potential benefits. However, there can be no assurance that permitting the board membership of an employee will not result in less favorable results for the Funds than if the employee was not permitted to serve in such capacity.

Advisory agreements between Rockpoint and/or its affiliates and the Funds require Rockpoint and its affiliates to act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities to the Funds but does not otherwise impose any specific obligations or requirements concerning the allocation of time, effort or investment opportunities to each Fund or any restrictions on the nature or timing of investments for the proprietary account of Rockpoint, its affiliates or their respective principals or for other accounts which Rockpoint or its affiliates may manage. Rockpoint professionals are not obligated to devote any specific amount of time to the affairs of a Fund, and Rockpoint and its affiliates are not required to accord exclusivity or priority to a Fund in the event of limited investment opportunities.

For certain Fund investments, Rockpoint may raise follow-on Funds that co-invest alongside Fund transactions that required more capital than the diversification limits that a Fund is permitted according to its Offering Memoranda. Rockpoint also expects there may be additional opportunities for a Fund to invest alongside other Funds in the future. Rockpoint is highly focused on managing conflicts of interest, including cases where they may be cross-fund investing. Rockpoint works closely with the advisory boards of the applicable Funds to help ensure that all potential conflicts are properly managed.

Performance Compensation

The performance compensation payable to a Fund's general partner may influence it to make investments it would not otherwise make by providing a financial incentive for Rockpoint to make investments with a greater risk/reward profile than would be the case in the absence of the performance compensation.

Valuation

Rockpoint recognizes the importance of appropriately valuing all Fund investments. With respect to any Fund, Rockpoint has established valuation policies and procedures designed to be consistent with the valuation methodologies set forth each Fund's Offering Memoranda.

In the event that a Fund owns publicly-traded securities or securities for which there is a trading market, it shall determine the value of such securities from reliable third-party sources, including pricing services or the qualified custodian.

Securities based via fair value methodology are valued based on management's judgment and estimation in accordance with the valuation policies and procedures of Rockpoint. Valuation methods, inputs and the pricing of events (such as an impairment, a sale, a recapitalization, or a public offering) that produce a realized or unrealized gain or loss that may be recognized are inherently subjective.

There may be situations in which Rockpoint's valuation procedures could adversely affect an investor's interest.

Policies and Procedures

Rockpoint has adopted policies and procedures designed to address and mitigate potential conflicts of interest as it relates to Rockpoint's regulatory requirements and contractual restrictions. These procedures will be periodically reviewed and revised, as needed.

For a more detailed disclosure of the potential conflicts of interest associated with investing in the Funds, prospective investors should refer to each Fund's Offering Memoranda.

*10d. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.*

Members, officers and employees of Rockpoint may become board or advisory board members to public and private companies and Rockpoint may, where appropriate, invest in such companies where one or more Rockpoint professionals serve as a board or advisory board member. It is not uncommon for this to occur if a Fund invests in a company. Although Rockpoint believes these positions are consistent with each Funds' investment strategy, a board or advisory board member's fiduciary duty to that company may conflict with the interests of the Fund(s).

**Item 11 – Code of Ethics**

*11a. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.*

As of March 31,, 2012, Rockpoint adopted a Code of Ethics designed to comply with its general fiduciary duties and the requirements of Rule 204A-1 of the Investment Adviser's Act of 1940 ("the Adviser's Act"). The Code of Ethics applies to all Supervised Persons (this includes all full time employees), each of whom is provided with a copy and is required to acknowledge their receipt and understanding of its contents on at least an annual basis.

Among its requirements, the Code of Ethics

- (i) sets forth standards of business conduct that take into account Rockpoint's status as a fiduciary;
- (ii) requires Supervised Persons to place the interests of the Funds and their investors above their own interests;
- (iii) requires Supervised Persons to comply with applicable federal securities laws and promptly bring violations of the Code of Ethics to the attention of Rockpoint's Chief Compliance Officer;
- (iv) sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. These requirements (all of which are in accordance with Rule 204A-1 of the Advisers Act) include providing the Chief Compliance Officer with
  - a) a list of personal accounts;
  - b) an initial securities holdings report;
  - c) an annual holdings report; and
  - d) quarterly transaction reports;
- (v) addresses activities which may lead to or give the appearance of conflicts of interest or prohibited or unethical business conduct. This includes provisions relating to
  - a) the confidentiality of client and investor information;
  - b) the protection of non-public information ;
  - c) a prohibition on insider trading;
  - d) limitations on outside affiliations,
  - e) limits for reporting gifts and business entertainment items (based upon what is reasonable and customary practice in the real estate industry);
  - f) the reporting of political contributions; and
- (vi) the need to prevent and document any potential or actual conflicts of interest between employees, the Funds and their investors, and/or Rockpoint.



Investors and prospective investors may obtain a copy of Rockpoint's Code of Ethics by contacting the Chief Compliance Officer, Patrick Fox at (972)-934-0100) or by email at pfox@rockpointgroup.com.

*11b. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.*

*Examples: (1) You or a related person, as principal, buys securities from (or sells securities to) your clients; (2) you or a related person acts as general partner in a partnership in which you solicit client investments; or (3) you or a related person acts as an investment adviser to an investment company that you recommend to clients.*

As discussed in Item 10.c, Rockpoint provides investment advisory and management services to the Funds.

Rockpoint and its related persons may invest their own funds in the Funds or as side by side investments (see Item 6) and, therefore, may hold the same or similar partnership interest as other investors in the Funds. Please note that investments in the Funds made by such parties may not be subject to the management fee or incentive allocation described in Item 5 above.

*11c. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.*

Related persons of Rockpoint may invest in securities that Rockpoint also recommends to Advisory Clients. As noted, Rockpoint's related persons and related entities participate in the investments of the Funds in accordance with their proportionate shares of the capital of those Funds. Each such related person transaction is separately identified and made strictly in accordance with Rockpoint's Code of Ethics and the terms of the offering described in any applicable investment product's offering materials. Rockpoint and its related persons and entities may not purchase or sell any securities that they know will be, or currently are being, purchased or sold for the account of any advisory client of Rockpoint, until after such time as all of Rockpoint's advisory clients have completed such purchases or sales. In order to manage this conflict of interest, Rockpoint's Code of Ethics requires employees to obtain prior written approval from Rockpoint's Chief Compliance Officer (CCO) before engaging in any transactions in his/her personal account that involve the direct or indirect purchase or sale of any security that may be purchased or sold by a Fund. Such employee transactions will be reviewed in the best interests of Rockpoint's Funds and will be denied by the CCO if there is risk of potential adverse consequences to the Rockpoint Funds.

As required by Rule 204A-1 of the Advisers Act, Rockpoint requires its Access Persons (which are comprised of employees and personnel in non-clerical or administrative roles which Rockpoint does not believe qualify as "Access Persons" as defined under the Advisers Act) to report their securities transactions on at least a quarterly basis and disclose their securities holdings upon employment and on an annual basis thereafter. Rockpoint also restricts the personal trading of its Access Persons. In particular, Rockpoint maintains a restricted list containing the names of securities which employees are generally prohibited from trading. Rockpoint also maintains policies and procedures to prevent insider trading that are designed to prevent the misuse of material, non-public information. All Rockpoint personnel (including those not designated as "Access Persons" are required to certify on an annual basis their compliance with such policies and procedures as well as the Code of Ethics.

Also, the procedural protection of each Fund's Advisory Committee approval process is designed to assure that the terms of such transactions will be no less favorable to the Fund than would be received in independent, arm's-length transactions.

*11d. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.*

**Note:** *The description required by Item 11.a may include information responsive to Item 11.b, c or d. If so, it is not necessary to make repeated disclosures of the same information. You do not have to provide disclosure in response to Item 11.b, 11.c, or 11.d with respect to securities that are not "reportable securities" under SEC rule 204A-1(e)(10) and similar state rules.*

Please refer to the responses in Items 11.a, 11.b, and 11.c.

**Item 12 – Brokerage Practices**

12a1. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

1. *Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.*

**Note:** Your disclosure and discussion must include all soft dollar benefits you receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

- a. *Explain that when you use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.*
- b. *Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your clients’ interest in receiving most favorable execution.*
- c. *If you may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits), disclose this fact.*
- d. *Disclose whether you use soft dollar benefits to service all of your clients’ accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.*
- e. *Describe the types of products and services you or any of your related persons acquired with client brokerage commissions (or markups or markdowns) within your last fiscal year.*

**Note:** This description must be specific enough for your clients to understand the types of products or services that you are acquiring and to permit them to evaluate possible conflicts of interest. Your description must be more detailed for products or services that do not qualify for the safe harbor in section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution. Merely disclosing that you obtain various research reports and products is not specific enough.

- f. *Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.*

**Soft Dollars**

As noted in Item 4, Rockpoint primarily offers investment advice with regard to a broad range of real estate-related investments, rather than advice and execution with respect to securities traded through broker-dealers. In light of this, Rockpoint, as a matter of policy, does not affect soft dollar transactions and does not enter into soft dollar arrangements with respect to transactions for any Fund. If Rockpoint determines to use soft dollars in the future, it will endeavor to do so within the “safe harbor” provided by Section 28(e) of the Securities Exchange Act of 1934 and implement appropriate policies and procedures at that time.. Although Rockpoint receives proprietary research from certain brokerage firms, it does not take the value of such research into account in selecting brokers.

Nonetheless, Rockpoint is a fiduciary that owes each of its Funds a duty of care and loyalty which obligates it to act in their best interest and those of the associated investors. To do so, Rockpoint executes securities transactions in a manner that garners net proceeds that, as a whole, reasonably believes are the most favorable under the circumstances. Accordingly Rockpoint has established policies for doing so with respect to transactions in investments made by Rockpoint on behalf of its Funds and associated investors.

#### Best Execution

Although Rockpoint principally invests in private securities (often in through and/or conjunction with equity investments and debt arrangements) related to its real estate investments for the Funds; it may, from time to time purchase or sell publicly-traded securities. Under those circumstances, Rockpoint seeks to achieve the “best price and execution.” In general, this means obtaining the best net results so that the Fund’s costs or amounts received are most favorable under all of the circumstances.

The factors when determining best execution, include, but are not limited to, Rockpoint’s knowledge of negotiated commission rates and spreads currently available; the nature of the security or instrument being traded; the size and type of the transaction; the nature and character of the markets for the security or instrument to be purchased or sold; the desired timing of the trade; the activity existing and expected in the market for the particular security or instrument; confidentiality; the execution, clearance, and settlement capabilities as well as the reputation and perceived soundness of the broker selected and other brokers considered; Rockpoint’s knowledge of actual or apparent operational problems of any broker; the broker’s or dealer’s execution services rendered on a continuing basis and in other transactions; and the reasonableness of spreads or commissions.

When executing a transaction in any investment with or for a Fund, Rockpoint will take all reasonable steps to ensure that the counterparty is reliable and that the terms and circumstances of the transaction are the best available on the relevant market at the time of execution for transactions of the same size and nature.

#### *12a2. Brokerage for Client Referrals.*

*If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.*

- a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving client referrals, rather than on your clients’ interest in receiving most favorable execution.*
- b. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.*

Not Applicable. Rockpoint does not receive client referrals from broker dealers or participate in directed brokerage arrangement with clients.

#### *12a3 Directed Brokerage.*

- a. If you routinely recommend, request or require that a client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their clients to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.*

- b. *If you permit a client to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of client transactions. Explain that directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.*

**Note:** *If your clients only have directed brokerage arrangements subject to most favorable execution of client transactions, you do not need to respond to the last sentence of Item 12.a.3.a or to the second or third sentences of Item 12.a.3.b.*

Not applicable to Rockpoint.

- 12b. *Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.*

Rockpoint presently provides investment advisory and management services to a select and limited number of Funds. As such, there is no need to aggregate purchase or sale of securities for multiple client accounts. When applicable, Rockpoint may, but is not required to, aggregate client orders to achieve more efficient execution or to provide for equitable treatment among Funds and their investors. Funds participating in aggregated trades would be allocated securities based on the average price achieved for such trades.

**Item 13 – Review of Accounts**

*13a. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.*

The managing members of Rockpoint and other Rockpoint professionals monitor the performance of Fund investments on a regular basis, including the evaluation of additional investment opportunities. These professionals monitor operations, financial performance, and strategic direction of each investment owned by the Fund.

Rockpoint, via the Fund's general partner, establishes an "Advisory Committee" for each Fund whose voting members consist of investor representatives. The Advisory Committees ordinarily meet with the Fund general partner(s) on at least a semi-annual basis and at their discretion. Items and matters which the Advisory Committee consider and act on include, but are not limited to:

- (i) the financial statements and appraisal reports of the Fund for such fiscal quarter delivered pursuant to the Advisory Committee;
- (ii) the status of each outstanding investment and the economic and financial trends and conditions affecting Investments generally; and
- (iii) any matters required to be disclosed to the Advisory Committee pursuant the respective Fund Offering Memoranda.

Rockpoint's Funds and their associated investors receive periodic reports (typically quarterly and annually) consistent with the requirements of each Fund's Offering Memoranda. Each Fund investor is also provided annual audited financial statements and unaudited quarterly statements of their capital.

*13b. If you review client accounts on other than a periodic basis, describe the factors that trigger a review*

See Item 13.a.

*13c. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.*

Generally, Fund investors will receive quarterly unaudited reports of Fund performance and capital account balances from the Fund's administrator and annual audited financial statements. Currently, Rockpoint and/or its affiliate(s) acts as the administrator for each Fund.

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

*14a. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.*

Not applicable to Rockpoint.

*14b. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.*

*Note: If you compensate any person for client referrals, you should consider whether SEC rule 206(4)-3 or similar state rules regarding solicitation arrangements and/or state rules requiring registration of investment adviser representatives apply.*

Rockpoint may, from time to time, engage the services of solicitors to assist Rockpoint in securing investors for its Funds. As applicable, all such compensation will be fully disclosed to each client consistent with applicable law. All such referral activities will be conducted in accordance with SEC Rule 206(4)-3 under the Advisers Act, as well as relevant SEC guidance.

**Item 15 – Custody**

*If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.*

Pursuant to Rule 206(4)-2 (the “Custody Rule”) Rockpoint, and/or its affiliate(s), are deemed to have custody of the underlying assets of the Funds by virtue of its status as investment advisor and manager and/or general partner of limited partnerships (e.g. the Funds).

In accordance with the custody requirements under Rule 206(4)-2 of the Advisers Act, Rockpoint, as an adviser, is not required to comply with the account statement delivery obligation or the qualified custodian notification requirement under the Custody Rule with respect to any account of a private fund (i.e. a limited partnership, limited liability company or some other type of pooled investment vehicle), provided that the fund:

- a) is subject to an audit at least annually; and
- b) distributes its audited financial statements for each Fund, prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”), within 120 days of the end of the Funds’ respective fiscal years (i.e., generally by April 30).



**Item 16 – Investment Discretion**

*If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).*

*Limited Partners in the Funds do not have the ability to impose limitations on Rockpoint's discretionary authority. Prospective investors are provided with an offering memorandum prior to their investment and are encouraged to carefully review the offering memorandum, along with all other relevant offering materials, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk.*

As dictated by each Fund's Offering Memoranda, Rockpoint has full discretionary authority to manage the Funds and therefore does not require, and does not seek, approval from the Funds or the investors in the Funds with respect to its investment decisions.

Each Fund's investment strategy is set forth in detail in its respective Offering Memoranda and/or additional governing documents (if any). Individual investors in the Funds do not have the ability to impose limitations on Rockpoint's discretionary authority. There are no separate classes and investors will be acquiring identical interests.

Prospective investors are provided with a Fund's Offering Memoranda prior to their investment and are encouraged to carefully review all offering materials and to be sure that the proposed investment in the Fund is consistent with their investment goals and tolerance for risk. Prospective investors must also execute a subscription agreement, in which they make various representations, including representations regarding their suitability to invest in a privately placed investment pool.

**Item 17 – Voting Client Securities**

*If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.*

Rockpoint or an affiliate, as investment adviser and manager of the Funds, votes proxies on behalf of the Funds. Ordinarily, the Funds do not hold securities for which proxy voting is required; however, to the extent applicable, Rockpoint generally vote proxies or corporate actions based on what it considers to be in the best financial interest of the Funds and their investors. Rockpoint has adopted proxy policies and procedures that it believes are reasonably designed to comply with the supervision and recordkeeping requirements of Rule 206(4)-6 of the Advisers Act. To receive a copy of Rockpoint's proxy policy, please contact the Chief Compliance Officer, Patrick Fox at (972)-934-0100) or by email at pfox@rockpointgroup.com.

Any authority or responsibility for Rockpoint to vote proxies or corporate actions is set forth in each Fund's Offering Memoranda.

*17b. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.*

Not applicable to Rockpoint.

**Item 18 – Financial Information**

A registered investment adviser is required to provide clients with certain financial information or disclosures about its financial condition. Rockpoint has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

*18a. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.*

- 1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.*
- 2. Show parenthetically the market or fair value of securities included at cost.*
- 3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.*

**Note:** *If you are a sole proprietor, show investment advisory business assets and liabilities separate from other business and personal assets and liabilities. You may aggregate other business and personal assets unless advisory business liabilities exceed advisory business assets.*

**Note:** *If you have not completed your first fiscal year, include a balance sheet dated not more than 90 days prior to the date of your brochure.*

**Exception:** *You are not required to respond to Item 18.a of Part 2A if you also are: (i) a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules; or (ii) an insurance company.*

Not applicable to Rockpoint.

*18b. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.*

**Note:** *With respect to Items 18.a and 18.b, if you are registered or are registering with one or more of the state securities authorities, the dollar amount reporting threshold for including the required balance sheet and for making the required financial condition disclosures is more than \$500 in fees per client, six months or more in advance*

Rockpoint is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

*18c. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.*

Not applicable to Rockpoint.