

Rockwood Capital, LLC

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This Brochure provides information about the qualifications and business practices of Rockwood Capital, LLC (the “Adviser,” “we,” “us” or “our”). If you have any questions about the contents of this Brochure, please contact us at 415-645-4300 or requests@Rockwoodcap.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training.

Additional information about the Adviser is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This section of our Brochure highlights and discusses changes to our Brochure since its last update on March 30, 2016, which either singularly or in the aggregate could be viewed as material.

Item 4, “Advisory Business,” has been modified to address the formation of a new debt-focused investment vehicle (the “Debt Fund”).

Item 5, “Fees and Compensation,” has been updated to include the Adviser’s policies regarding fees and expenses for the Debt Fund.

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Item 4 – Advisory Business

Generally

The Adviser, a Delaware limited liability company, was organized in 2006. Certain principals and owners of the Adviser have been providing continuous investment advisory services to clients through a predecessor entity, Rockwood Capital Corporation (under the trade name “Rockwood”) since 1990. The Adviser is the manager of real estate funds and separate accounts.

Principal Owners

The principals and owners of the Adviser are its eight active and voting members: Peter J. Falco, Walter P. Schmidt, David I. Becker, Robert L. Gray, Jr., Peter Kaye, Antonio Lariño, Tyson Skillings and David Streicher.

Advisory Services

The Adviser provides investment advisory services to separate accounts and real estate funds (each, a “Fund” and collectively, the “Funds”) with respect to the Funds’ real estate-related investments. The investment strategy of the Adviser is described in Item 8 and set forth more fully in the private placement memorandum (as supplemented or amended, the “Private Placement Memorandum”) and/or in the limited partnership or similar governing agreement of each Fund (each, a “Partnership Agreement”). The Adviser provides services to each Fund in accordance with the Partnership Agreement and, where applicable, the management agreement between the Adviser, the Fund and the general partner of such Fund (each, a “Management Agreement”). The Adviser’s sole clients are the Funds. The Adviser’s investment advisory services are limited to the types of services described in this Brochure, as supplemented by the Private Placement Memorandum and/or Partnership Agreement of each Fund.

Fund Structure

The Funds are generally organized as Delaware limited partnerships. Each Fund is typically controlled by a general partner that is an affiliate of the Adviser and has investors that are limited partners of the Fund. The Adviser manages each Fund. The Adviser investigates, analyzes and structures potential investments for each Fund. The Adviser has the general authority to recommend investments to the Fund’s general partner and performs all of the Fund’s day-to-day investment and asset management functions, subject to the limitations set forth in the Management Agreement and/or Partnership Agreement of such Fund. However, the management and the conduct of the activities of each Fund remain the ultimate responsibility of the Fund’s general partner.

The general partners of certain Funds may establish feeder partnerships, alternative investment funds, blocker corporations, parallel funds, real estate investment trusts (“REITs”), group trusts or other similar investment vehicles to address the tax, regulatory or other concerns of certain prospective limited partners of the Funds. For certain Funds, the general partner may establish a “side car” co-investment vehicle for large investors (so-called side car partners) to co-invest with the Fund in certain large investments on such terms as are set forth in the Fund’s Partnership Agreement and in the partnership agreement of the side-car co-investment vehicle. In addition, if the general partner of a Fund elects to make co-investment opportunities available to other limited partners or third-party co-investors, the general partner may establish a co-investment fund to facilitate such co-investment opportunities, the terms of which may differ from the applicable Fund. (See Item 11 below for additional information on the allocation of co-investment opportunities.) When we refer to limited partners and general partners in this Brochure, we are also referring to the equivalent investors and managers of such entities.

Generally, the general partner of each Fund will form and maintain an investment committee comprised of senior real estate professionals who are members of the Fund’s general partner (the “Investment Committee”). The Investment Committee will make all major investment decisions for the applicable Fund, including decisions regarding the acquisition (or if issuance of debt, origination), financing and disposition of investments.

Notwithstanding the foregoing, the structure and organization of the Funds structured as separate accounts are individually negotiated and may vary.

Investment Restrictions

Generally, each Partnership Agreement contains investment restrictions. These restrictions may address, among other things, investments outside certain jurisdictions, types of investments and the amount of leverage that may be incurred by the Fund. Where applicable, certain of these restrictions may be waived with the consent of the Fund’s advisory committee, which consists of representatives of limited partners in the Fund who are not affiliated with the Adviser or the Fund’s general partner.

Management of Client Assets

As of December 31, 2016, the Adviser managed \$6,850,416,339 of client assets on a discretionary basis and \$691,507,309 on a nondiscretionary basis.

Item 5 – Fees and Compensation

Adviser Compensation

Certain Funds pay the Adviser an annual management fee (the “Management Fee”) in accordance with such Fund’s Partnership Agreement and/or Management Agreement. The Management Fee is generally payable to the Adviser in quarterly installments in advance. The Management Fee paid by each Fund may be funded either (a) through a capital call requiring the limited partners in the Fund to make capital contributions to the Fund or (b) by deducting the amount of the Management Fee from distributable cash otherwise payable to the limited partners of the Fund, in each case in accordance with the Fund’s Partnership Agreement. However, Management Fees are generally deducted from the assets of the Fund by the Fund’s general partner. If a Management Agreement should terminate before the end of a billing period, the Adviser will remit to the Fund or such other person as the general partner of such Fund directs the *pro rata* portion of any fees held by the Adviser attributable to such period following the effective date of termination.

Funds structured as real estate funds generally pay Management Fees at a blended rate ranging from 1.2% to 1.4% based on the amount of each limited partner’s capital commitment to such Fund (the “Blended Rate”). During the investment period, the Management Fee is generally calculated as a percentage of a limited partner’s capital commitment. Thereafter, the Management Fee is generally calculated as a Blended Rate of the least of a limited partner’s (i) capital commitment, (ii) *pro rata* share of the Portfolio Cost Basis (defined in the Management Agreement) and (iii) *pro rata* share of the Invested Amount (defined in the Management Agreement). The Debt Fund generally pays Management Fees at a rate of 0.85% on the amount of each limited partner’s capital commitment during the investment period, and thereafter, on such limited partner’s *pro rata* share of the Invested Amount (defined in the Management Agreement). Management Fees for Funds structured as separate accounts are individually negotiated pursuant to the terms of the applicable Partnership/Management Agreement. Investors in side car vehicles generally pay Management Fees at a rate equal to 50% of their applicable Blended Rate on the lesser of such investor’s (i) *pro rata* share of the Portfolio Cost Basis and (ii) *pro rata* share of the Invested Amount. Management Fees are subject to modification, waiver or reduction in certain limited circumstances in accordance with the terms of the applicable Fund’s Partnership Agreement. In addition, the Adviser may provide Management Fee incentives and discounts (including early closer, anchor and repeat investors discounts) to investors in any of its Funds.

Each quarterly installment of the Management Fee calculated with respect to each limited partner is reduced by an amount equal to such limited partner’s *pro rata* share of (x) any fees charged by any placement agent in connection with the marketing and sale of interests in the Fund paid or due and payable by the Fund (with the result being that placement fees are borne by the Adviser) and, for certain Funds, (y) Organizational

Expenses (defined in “Additional Fees and Expenses” below) that exceed the threshold set forth in the respective Partnership Agreement.

The Debt Fund also generally pays the Adviser an acquisition fee in respect of each investment made by such Fund equal to 0.5% of the cost basis of such investment (the “Acquisition Fee”). The Acquisition Fee is generally reduced by transaction or other fees received by the Adviser or any of its affiliates in connection with the consummation and holding of such investments.

Other than as described above, neither the Adviser nor any of its affiliates intend to charge any break-up, transaction or similar fees in connection with Fund investments, and if any such fees are earned by the Adviser or any affiliate, such fees shall either be paid to the Fund or fully offset against future Management Fees or Acquisition Fees. See “Additional Fees and Expenses” below for a more detailed discussion of such fees and expenses.

Certain related persons of the Adviser also receive a “carried interest” (a form of performance-based compensation), as discussed in Item 6. Engagement by the Adviser of a financial intermediary, such as a broker-dealer, and any commissions paid in connection with Fund investments are discussed in Item 12.

Additional Fees and Expenses

The Adviser will bear the ordinary day-to-day expenses incidental to the administration of the Funds, including (a) all costs and expenses incurred by the Adviser that relate to its office space, facilities, utility services, supplies and necessary administrative and clerical functions and (b) compensation of all employees engaged in the Adviser’s business (other than a proportionate share of certain of the expenses incurred by the Adviser in connection with the Adviser’s employment of in-house counsel (compensation and overhead)).

Each Fund is generally responsible for certain other costs and expenses incurred by the Adviser and/or its affiliates in connection with the operation and activities of the Fund. These expenses include: (i) all expenses incurred in connection with identifying, evaluating, structuring and negotiating proposed Fund investments (including those that are not ultimately consummated by the applicable Fund) and the acquisition, management, holding, sale, proposed sale or valuation of Fund investments (including among other things, any engineering, environmental, third-party payment processing, travel, legal and accounting expenses and other fees and out-of-pocket costs related thereto); (ii) all litigation-related and indemnification expenses; and (iii) all ongoing administrative expenses, including, among other things, auditors, attorneys (including a proportionate share of the expenses incurred by the Adviser in connection with its employment of in-house counsel), servicers, appraisers and other professionals.

Each Fund will also bear all legal, accounting, filing and other organizational and offering fees and expenses incurred in its formation (collectively, the “Organizational Expenses”), *provided* that, to the extent that these fees and expenses exceed the threshold set forth in the relevant Partnership Agreement (if any), such excess will be borne by the Fund’s general partner and its affiliates. In addition, the Fund’s general partner and its affiliates will ultimately bear all fees for any placement agent for the Fund (as described in “Adviser Compensation” above).

While the Adviser does not expect to receive additional fees in connection with the services it provides to the Funds, with the consent of the Advisory Committee, certain affiliates of the Adviser and general partners could receive certain fees (including property management, construction and other similar fees) in connection with operational services performed for a Fund or with respect to portfolio investments. In the event that an affiliate of the Adviser and any general partner receives such fees, the Partnership Agreement and Management Agreement of such Fund require that the additional fees not exceed rates payable for such services to experienced third-persons. The consent of the Advisory Committee would not be required if all of the additional fees are paid to the Fund or offset against future Management Fees.

The Adviser allocates each of the costs noted above in its good faith discretion among its clients in accordance with the Adviser’s expense allocation policies and the applicable Partnership Agreements and Management Agreements. Expenses relating to proposed Fund investments that are ultimately not consummated are generally the responsibility of the Fund that incurred them (and not of any co-investors or co-investment vehicles) unless another Fund proceeds with the investment, in which case the latter Fund shall reimburse the former Fund, in whole or in part as determined by the Adviser in good faith. All broken deal expenses incurred with respect to an investment that the general partner of a Fund with a side car co-investment vehicle offers, or expects to offer at the time such expenses are incurred, to such side car co-investment vehicle, will be borne by such Fund and its side car co-investment vehicle in such proportions as such general partner reasonably expects (or expected) such Fund and side car co-investment vehicle to participate in such investment.

Item 6 – Performance-Based Fees and Side-by-Side Management

Pursuant to the Partnership Agreements of certain Funds (including certain side car co-investment vehicles), the general partners of such Funds are entitled to receive “carried interest” with respect to each limited partner as a percentage of such limited partner’s investment profits, subject to satisfaction of a cumulative preferred return, compounded annually. Each Fund’s general partner is a related person of the Adviser. Such carried interest is generally paid out of proceeds realized from the applicable investments of the Fund.

The existence of the carried interest may incentivize the Adviser to dedicate increased resources and allocate more profitable investment opportunities to a Fund (including to a Fund with a side car co-investment vehicle) whose distribution characteristics would allow the Fund's general partner (an affiliate of the Adviser) to receive a higher carried interest (or to be paid its carried interest sooner) based on the success of the underlying portfolio investments. Further, the Adviser may be incentivized to allocate investment opportunities to certain Funds (including to Funds with side car co-investment vehicles) which, based on investment performance, are not required to recover losses attributable to prior unprofitable investments before the Fund's general partner may receive a carried interest. This conflict is mitigated by the fact that the Adviser has developed compliance policies and procedures (including the Allocation Policies defined below) designed to address related conflicts of interests, described in this Item 6, Item 11 and in the applicable provisions of the Partnership Agreement.

The existence of carried interest may also create an incentive for the general partners of certain Funds (including those Funds with side car co-investment vehicles) and the Adviser to make more speculative investments on behalf of an applicable Fund than it would otherwise make in the absence of such carried interest. To help align the interests of the general partner and Adviser with those of the limited partners, the general partners generally invest, in or alongside the Funds structured as real estate funds, an amount equal to at least 1% of the total capital commitments of the limited partners and the side car partners (if any). In the case of Funds structured as separate accounts, this amount is separately negotiated.

The Debt Fund does not charge a "carried interest".

Item 7 – Types of Clients

As described in Item 4, the Adviser's sole clients are the Funds. The Adviser provides investment advisory services directly to the Funds and not individually to the limited partners of the Funds. Limited partner interests in the Funds may be purchased only by investors that are (a) "accredited investors," as defined in Regulation D of the U.S. Securities Act of 1933, as amended, and (b) "qualified purchasers" for purposes of section 3(c)(7) of the Investment Company Act of 1940, as amended.

Limited partners of the Funds generally are required to make a minimum commitment of \$5 million, but a Fund's general partner has the discretion to waive this minimum commitment in certain circumstances. As a condition to such waiver, the general partner may set additional requirements or conditions that are mutually acceptable to such limited partners.

Some limited partners may have the opportunity to participate in co-investment opportunities as further described below. Such limited partners will not be required to make a minimum commitment, however, limited partners will generally only be

permitted to participate in a side car co-investment vehicle if its commitment to the corresponding Fund exceeds a commitment threshold set forth in the Partnership Agreement.

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

Methods of Analysis and Investment Strategies

The Funds will generally seek to make investments in all types of real estate and real estate-related assets (“Investments”) located primarily within the United States, although the Funds may also make Investments in Canada and the Caribbean. Investments are expected to include the following types of properties, among other things: central business district and suburban offices, research and development properties, hotels, retail properties, residential properties and data centers. The Funds may also invest in land, generally when entitled with a business plan for near-term development. Investments are expected to be made in, among other things, undervalued and distressed real estate assets, properties in need of market repositioning, releasing, redevelopment or rehabilitation, new real estate development and existing stable assets, in each case where there is a business plan that envisions putting income in place, or enhancing existing income over the near term, generally within three or four years. Investments may be structured as equity or debt (or combinations thereof) and may include investments in property owners, property managers, property developers and other real estate-related businesses, as well as purchases or originations of debt instruments. The Funds will only invest in publicly-traded real estate securities if such investments are (a) part of a bona fide business plan or agreement pursuant to which the Funds will attempt to gain control of the issuer of such securities and/or ownership of the issuer’s real estate assets or (b) made in order to qualify or help maintain the qualification of an entity as a REIT for U.S. federal income tax purposes.

Each Fund is guided by an annual investment strategy that is reevaluated and refined based upon evolving market conditions. The Adviser identifies broad areas of opportunity by analyzing macroeconomic drivers such as population demographics, employment trends and capital market flow and layers in property sector specific supply/demand fundamentals in the various geographic markets. The Adviser prepares detailed business plans for each investment that cover, among other things: capitalization, revenues, operating and capital budgets, the manner in which value creating initiatives (e.g., renovation, re-leasing, and operating expense reduction) will be implemented and exit strategy.

To facilitate this investment strategy, the Adviser employs portfolio management strategies to enhance overall returns and to reduce risk. The primary objective of the Adviser’s portfolio management strategies is to assemble a well-diversified pool of assets and actively blend its overall risk/return characteristics. While the Adviser evaluates the individual merits of each investment, heavy focus is given to how the investment fits

within the greater context of the portfolio. The risk profile of each Fund's portfolio is under constant review to ensure that the Fund is not over or under allocated during the investment period of the Fund by geography, property sector, economic base and tenant industry or with respect to any single asset.

Certain Risks Relating to the Investment Strategies of the Funds

Investing in securities involves risk of loss that clients should be prepared to bear, including the risks summarized below which are generally applicable to the investment strategy of each Fund. The following risks are described in greater detail in the Private Placement Memorandum or subscription agreement (as applicable) provided to limited partners and include but are not limited to those related to:

- changes in general economic conditions and governmental actions;
- regulation of the private equity industry;
- natural fluctuations and cycles inherent to the real estate industry;
- exposure to the general risks of real estate development;
- highly competitive market for investments;
- availability of debt financing for transactions;
- fluctuations in interest rates;
- reliance on the expertise of investment professionals of the Adviser and its affiliates;
- illiquidity of investments;
- lack of diversification;
- exposure to a variety of local, state and federal statutes, ordinances, rules and regulations concerning the protection of health and the environment;
- availability of insurance against certain catastrophic losses;
- investments in non-performing or other troubled assets;
- investments in non-U.S. assets;
- exposure to risks inherent in investments in loans and other debt instruments;
- failure or inability of a Fund to make follow-on investments in a portfolio company;
- potential liabilities in connection with dispositions of investments;
- inability to exercise management control due to (a) the acquisition of a minority interest, (b) the reliance on an independent third-party manager, (c) the partial

- acquisition of an asset underlying an investment or (d) the acquisition of a subordinate loan position; and
- compliance with REIT requirements.

There are certain risks (in addition to the risks related to the Adviser's investment strategy) associated with investing in the Funds, which are also described in each Private Placement Memorandum or subscription agreement (as applicable).

Item 9 – Disciplinary Information

The Adviser has no information to disclose that is applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

The general partners of the Funds, as applicable, are affiliated with the Adviser by common ownership. Otherwise, the Adviser and its related persons do not have any relationships or arrangements with financial services companies that pose material conflicts of interest. Should conflicts of interest arise in the context of these relationships, such conflicts will be addressed in accordance with the Code of Ethics adopted by the Adviser (described in further detail in Item 11), the Partnership Agreements and the Adviser's written compliance policies and procedures, as applicable.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The Adviser has adopted a code of ethics (the "Code of Ethics") pursuant to SEC Rule 204A-1 under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") for all Supervised Persons (identified below) of the Adviser describing its high standard of business conduct and its fiduciary duty to the Funds under the Advisers Act. "Supervised Persons" include (a) any partner, officer, member, director (or other person occupying a similar status or performing similar functions), or employee of the Adviser and (b) any other person who provides investment advice on behalf of the Adviser and is subject to the Adviser's supervision and control.

The Code of Ethics was adopted in order to establish the standard of conduct expected of all of the Adviser's Supervised Persons, in light of the Adviser's duties to the Funds under the Advisers Act. Supervised Persons must act at all times in accordance with the Adviser's fiduciary duty to the Funds. Each Supervised Person, as applicable, should (i) at all times place the interest of the Funds before his or her own interests, (ii) act with honesty and integrity with respect to the Funds and the Fund investors, (iii) never take inappropriate advantage of his or her position with the Adviser for his or her personal benefit, (iv) make full and fair disclosure of all material facts, particularly

where the interests of the Adviser or Supervised Person may conflict with the Funds and (v) have a reasonable, independent basis for his or her investment advice.

The Code of Ethics includes provisions relating to the confidentiality of information relating to limited partners, a prohibition on insider trading, a prohibition on disseminating rumors, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, restrictions and reporting obligations relating to making political contributions and anti-money laundering and sanctions policies, among other matters. All Supervised Persons of the Adviser must submit to the Chief Compliance Officer an annual certification of compliance with the Code of Ethics and the Adviser's written compliance policies and procedures.

The Code of Ethics forbids any Supervised Person from engaging in any insider trading and from disclosing or using material non-public information in violation of applicable law. The Code of Ethics generally restricts trading in close proximity to any Fund's investment activity. All of the Adviser's Supervised Persons are required by the personal securities transactions policy in the Code of Ethics to:

- report personal investment transactions to the Chief Compliance Officer quarterly;
- pre-clear personal securities transactions in any U.S. initial public offering and as part of any private placement; and
- report securities holdings to the Chief Compliance Officer quarterly.

Employee trading is routinely monitored by the Chief Compliance Officer pursuant to the Code of Ethics in order to reasonably prevent or address conflicts of interest among the Adviser, Supervised Persons and the Funds.

All Supervised Persons whose duties and responsibilities bring him or her into contact with investor information will receive training with respect to the security and confidentiality of investor information. In addition, Supervised Persons must annually certify that they have acted in accordance with the policies and procedures set forth in the Code of Ethics, including the personal securities trading policy.

Any restriction or policy set forth in the Code of Ethics may, subject to applicable law, be waived by the Chief Compliance Officer.

Clients of the Adviser may request a copy of the Code of Ethics, free of charge, by contacting the Adviser's Chief Compliance Officer.

Participation or Interest in Client Transactions

The Adviser investigates and structures potential investments for the Funds, as described in Item 16. Partners and principals of the Adviser will have a material financial interest in these investments through their commitment to the general partner, as described in Item 6. The Adviser has adopted the Code of Ethics and certain written policies to ensure compliance with the conflict of interest provisions of each Partnership Agreement, which address conflicts involving the Adviser and its related persons. While occasionally, the Funds may make investments through special purpose vehicles, including REITs (“SPVs”), the Adviser views such SPVs as part of the Funds and the Adviser receives no additional benefit from advising the SPVs.

Allocation of Investment and Sale Opportunities Policy

Investment opportunities are allocated among the Funds based upon the applicable provisions of the Partnership Agreements. To the extent that a relevant Partnership Agreement does not address the manner in which an investment opportunity should be allocated, the Adviser will allocate the opportunity between or among the Funds in good faith, according to the policies and procedures set forth in its written compliance policies and procedures (the “Allocation Policies”). Before an investment opportunity can be pursued by any Fund, the opportunity must be submitted to the allocation arbiters, who will follow the procedures set forth in the Allocation Policies (the “Allocation Arbiters”). If at least one Allocation Arbiter determines that the investment opportunity can reasonably be regarded as a “Follow-On Investment” of a specific Fund, the opportunity is first allocated to such Fund. If such Fund’s Investment Committee declines the opportunity, the opportunity is returned to the Allocation Arbiters for re-allocation. If the Allocation Arbiters unanimously conclude that the opportunity fits within one, and only one, investment strategy, the opportunity will be offered exclusively to the Fund or Funds within such strategy on a rotating basis (described in the Allocation Policies). If the Allocation Arbiters cannot unanimously conclude that the opportunity fits within one, and only one, investment strategy, the opportunity is first allocated to each Fund within all such strategies, and if (a) one, and only one, Fund’s portfolio manager expresses interest in the opportunity, the opportunity will be offered exclusively to such Fund, (b) more than one of the Funds’ portfolio managers expresses interest in the opportunity, the opportunity will be offered to such Funds on a rotating basis (described in the Allocation Policies), and (c) none of the Funds’ portfolio managers express interest in the opportunity, the opportunity is returned to the Allocation Arbiters for re-allocation. The Fund to which an opportunity is allocated will have the exclusive right to pursue such opportunity unless and until its Investment Committee declines the opportunity.

The Chief Compliance Officer will review the allocations to ensure that the Adviser is properly following its system of allocating investment opportunities between Funds.

Allocation of Co-Investments

The general partner of a Fund is not obligated to offer limited partners co-investment opportunities and may make available co-investment opportunities to (a) strategic investors and lenders, (b) limited partners whose capital commitments exceed certain threshold amounts determined in the applicable Partnership Agreements and (c) side car co-investment vehicles, in each case subject to the terms of the applicable Partnership Agreement. The side car co-investment vehicles of certain Funds are generally expected to participate in follow-on investment opportunities. Certain other side car co-investment vehicles are generally structured to participate in all Fund investments in excess of a threshold amount determined in the applicable Partnership Agreement.

In the event that co-investment opportunities are available after being offered to a side car co-investment vehicle, the Fund's general partner may offer such co-investment opportunity to one or more limited partners whose capital commitments exceed certain threshold amounts determined in the applicable Partnership Agreement or to other third parties. As a result limited partners who are not side car partners, or who have a capital commitment below the applicable threshold amount, are less likely to be offered the opportunity to participate in any given co-investment opportunity. Determinations regarding the allocation of co-investment opportunities may be made by the applicable general partner in its sole discretion.

Personal Financial Interests

The Adviser has adopted a conflicts of interest policy and the Code of Ethics in order to address the conflicts that could arise if the personal or private interests of its Supervised Persons conflicts with the interests of the Funds. Such conflicts of interest arise whenever an individual's objectivity in reaching or influencing decisions for the Adviser is, may be or even appears to be affected by factors other than the Fund's best interests. Supervised Persons may not have outside interests that conflict or appear to conflict with the best interests of the Adviser or the Funds, unless they have received authorization from the Chief Compliance Officer, however in certain limited circumstances this requirement may be waived by the Chief Compliance Officer. Supervised Persons who become aware of any possible conflicts of interest are required to report the situation to the Chief Compliance Officer. The Chief Compliance Officer will determine the appropriate course of action with regard to any specific situation, including providing Fund investors with appropriate disclosures concerning the conflict.

Item 12 – Brokerage Practices

Due to the nature of each Fund's investments, broker-dealers are not generally used for transactions. However, if any Fund were to execute a transaction through a broker, dealer or underwriter, the Adviser's objective will be to obtain "best execution"

(that is, the most favorable price and execution). The Adviser's success at obtaining best execution on any individual transaction will depend substantially on its judgment, knowledge and experience in evaluating the reliability and capability of each counterparty, adviser and service provider based on previous and pending transactions effected by the broker-dealer for client accounts.

Research and Other Soft Dollar Benefits

The Adviser does not utilize soft dollar arrangements (that is, arrangements under which research and certain other services are acquired in connection with brokerage arrangements). The Adviser's policy is to bear the cost of research it receives that is unrelated to the operations and activities of the Funds. The Adviser does not direct investment opportunities or other transactions to brokers in order to acquire research or other services. In addition, Supervised Persons are required to report and/or seek pre-approval of certain gifts, travel and entertainment provided by present or prospective investors, joint venture partners, providers of goods or services to the Adviser, or other third parties with whom the Adviser has dealings, that may create the perception of a conflict of interest or other impropriety that could, among other things, affect the reputation of the Adviser.

Aggregation of Client Trades

The purchase or sale of securities may be aggregated for various Funds to the extent that more than one Fund is acquiring or selling securities in the same portfolio company. Where a sale opportunity is identified for an investment held by two or more Funds, the opportunity will be allocated in accordance with the applicable Partnership Agreements and the Allocation Policies described in Item 11.

Item 13 – Review of Accounts

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, each Fund's review process is not directed toward a short term decision to dispose of investments. However, the Adviser's investment professionals closely monitor each Fund's investments. Each investment is made pursuant to a business plan, and each plan includes an exit strategy. The business plan for each investment is regularly reviewed and refined to ensure that value creating initiatives (e.g., renovation, re-leasing, and operating expense reductions) are proceeding on schedule and on budget and to validate the strength of the original investment decision. As the business plan is reviewed and updated annually or more frequently, an assessment of the exit strategy is also performed. This reassessment involves among other considerations, a qualitative and quantitative review of the property, and the applicable real estate markets and capital markets.

Limited partners in all of the Funds receive annual audited financial statements. The Adviser also provides Fund investors with periodic reports concerning the operations and performance of each applicable Fund. The Chief Compliance Officer will review such reports before their dissemination to ensure that they comply with applicable disclosure guidelines and the Advisers Act.

Item 14 – Client Referrals and Other Compensation

In connection with the marketing and sale of interests in certain Funds, one or more placement agents have been compensated in accordance with the Management Agreements and Partnership Agreements of such Funds. These agreements provide that the Management Fees are subject to reduction (as described in Item 5 above) for contributions made by limited partners to the Funds to pay any placement fees paid or payable by such Funds (with the result that placement fees are borne by the Adviser).

Any placement agent for a Fund offering made in the United States must (a) be a broker-dealer registered with FINRA and (b) act according to a written agreement with the Adviser that includes, if applicable, pay-to-play restrictions in accordance with Rule 206(4)-5 under the Advisers Act (the “Pay-to-Play Rule”).

No payment or other consideration will be given to a third party for directing a potential investor to the Adviser without the prior approval of the Chief Compliance Officer. Where the investor is a state or local government entity, the Adviser will require that the third party conduct its activities in accordance with the Pay-to-Play Rule, applicable law and any internal written policies of a state or local government agency.

Item 15 – Custody

The safeguarding of Fund assets and compliance with Rule 206(4)-2 of the Advisers Act (the “Custody Rule”) is of primary importance to the Adviser. Neither the Adviser nor any Supervised Person should ever have physical custody of any Fund’s cash, cash equivalents or securities. All funds and securities of the Funds must be maintained with a “Qualified Custodian” (as defined under the Custody Rule). If any Supervised Person receives funds or securities from the Fund or any third party, he or she must contact the Chief Compliance Officer immediately and ensure that the funds or securities are returned to the sender in an appropriate manner.

Because related persons of the Adviser serve as general partner of each Fund, the Adviser is deemed to have custody of Fund assets. Each limited partner of a Fund receives, within 120 days of the Fund’s fiscal year end, the Fund’s audited financial statements prepared in accordance with generally accepted accounting principles.

Item 16 – Investment Discretion

The Adviser has discretion to recommend investments for each Fund to the general partner of the Fund without the consent of the Fund's limited partners, subject to the limitations set forth in the Management Agreement and/or Partnership Agreement of such Fund. However, the management and the conduct of the activities of each Fund remain the ultimate responsibility of such Fund's general partner, each of which is an affiliate of the Adviser.

Item 17 – Voting Client Securities

The Funds will primarily make real estate related investments and it is not expected that the Adviser will be required to vote proxies with respect to the assets owned by the Funds. In the event that the Adviser is required to vote proxies on behalf of a Fund, the Partnership Agreements may provide the Adviser with the authority to vote proxies with respect to the securities owned by the Fund. In such cases, each proxy proposal received by the Adviser will be thoroughly reviewed by the relevant Investment Committee in order to ensure that such proxy is voted in the best interests of the Fund.

All conflicts of interest related to proxy voting will be resolved pursuant to the Adviser's written proxy voting policies and procedures in a manner consistent with the best interests of the relevant Fund. In situations where a Supervised Person or the Adviser perceives a material conflict of interest relating to a particular proxy proposal, the Adviser will require the proposal to be reviewed by the Chief Compliance Officer, who will determine how to vote the proxy in the manner consistent with the Fund's best interest.

The Adviser will provide to the limited partners of each Fund, upon request: (a) information pertaining to proxies voted by the Adviser on behalf of such Fund and/or (b) a copy of the Adviser's proxy voting policies and procedures.

Item 18 – Financial Information

The Adviser has no financial commitments that impair its ability to meet its contractual or fiduciary commitments to the Funds. The Adviser has not been the subject of a bankruptcy proceeding.