

**PART 2A OF FORM ADV**

**FIRM BROCHURE**



**RXR ASSET MANAGEMENT LLC  
625 RXR PLAZA  
UNIONDALE, NEW YORK 11556  
PHONE: 516-506-6000  
FAX: 516-506-6800  
[www.rxrrealty.com](http://www.rxrrealty.com)**

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**This Brochure provides information about the qualifications and business practices of RXR Asset Management LLC (“RXR”). If you have any questions about the contents of this Brochure, please contact Francis Sheehan at 516-506-6777 or by e-mail at [fsheehan@rxrrealty.com](mailto:fsheehan@rxrrealty.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority, and references in this Brochure to RXR as a “registered investment adviser” are not intended to imply a certain level of skill or training.**

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

## **ITEM 2 – MATERIAL CHANGES**

This Brochure is dated March 2016 and is the annual updating amendment to the prior Brochure dated March 2015. There have been no material changes from the previously filed Brochure.

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## ITEM 4 – ADVISORY BUSINESS

<b>Item 4.A</b>	<p><b>Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).</b></p> <p>RXR Asset Management LLC, a Delaware limited liability company (“RXR”), has been a real estate investment advisory firm since 2009.</p> <p>RXR NTR Sub-Advisor LLC, a Delaware limited liability company (the “Relying Adviser”), has been a real estate investment sub-adviser since February 2015, and is an affiliate of RXR.</p> <p>RXR and the Relying Adviser are both wholly owned by RXR Management Holdings LLC, a Delaware limited liability company. RXR Management Holdings LLC is wholly owned by RXR Realty LLC, a Delaware limited liability company and RXR Realty LLC is majority owned by RXR Subholdings LLC, a Delaware limited liability company, which is wholly owned by RXR Holdings LLC, a Delaware limited liability company. The principal owners of RXR Holdings LLC are RXR Partners LLC, a Delaware limited liability company and Scott Rechler. The principal owners of RXR Partners LLC are Scott Rechler and Michael Maturo.</p>
<b>Item 4.B</b>	<p><b>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.</b></p> <p>RXR provides discretionary investment advisory services to pooled investment vehicles organized as private investment funds (the “Funds”) and certain special purpose investment vehicles that may co-invest alongside the Funds (collectively referred to herein as the “Advisory Clients”) that focus on investments in the real estate industry.</p> <p>The Relying Adviser provides investment sub-advisory services to a non-traded REIT, NorthStar/RXR New York Metro Real Estate, Inc. (the “NTR”)(the Advisory Clients and the NTR, collectively the “Clients”).</p> <p>RXR provides portfolio management and administrative services to its Clients. This includes, but is not limited to: investigating, analyzing, structuring and negotiating potential investments, monitoring the performance of the portfolio investments and advising each Client as to acquisitions, financing, dispositions, recapitalizations and refinancing opportunities.</p> <p>RXR’s advisory business is limited to real estate and real estate related investments. Generally, RXR’s Clients will invest in real estate investments primarily located in the New York Tri-State area, focused on distressed, value</p>

	<p>creation and structured financing opportunities. The Client’s investments will be directed toward office and office-centered mixed-use opportunities and other opportunities involving a variety of other property types, including unimproved land, lodging, retail, residential, and multi-family, and may take the form of equity, preferred equity or other structured debt and equity financings involving acquisitions, repositionings, redevelopments, vertical developments, land developments, value added recapitalizations and rescue capital.</p>
<b>Item 4.C</b>	<p><b>Explain whether (and, if so, how) you tailor your advisory services to the individual needs of <i>clients</i>. Explain whether <i>clients</i> may impose restrictions on investing in certain securities or types of securities.</b></p> <p>RXR does not tailor its advisory services to the individual needs of investors in its Clients (the “Investors”), and Investors may not impose restrictions on investing in certain securities or types of investments.</p>
<b>Item 4.D</b>	<p><b>If you participate in <i>wrap fee programs</i> 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.</b></p> <p>RXR does not participate in wrap fee programs.</p>
<b>Item 4.E</b>	<p><b>If you manage <i>client</i> assets, disclose the amount of <i>client</i> assets you manage on a <i>discretionary basis</i> and the amount of <i>client</i> assets you manage on a <i>non-discretionary basis</i>. Disclose the date “as of” which you calculated the amounts.</b></p> <p>As of December 31, 2015, RXR manages \$2.48 billion of Client assets on a discretionary basis. RXR does not currently manage any Client assets on a non-discretionary basis.</p>

## ITEM 5 – FEES AND COMPENSATION

<p><b>Item 5.A</b></p>	<p><b>Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.</b></p> <p>RXR is generally compensated for advisory services through asset-based management fees (the “Management Fee”). In addition, affiliates of RXR may receive performance-based compensation.</p> <p>RXR receives a quarterly management fee from each Advisory Client in an amount equal to 0.0-1.5% per annum. The Management Fee is based on a percentage of unfunded capital commitments or funded capital contributions, as applicable.</p> <p>The Relying Adviser will receive monthly management fees from the NTR equal to .625% per annum. Such management fees will be based on the cost of investments in the NTR, when the NTR makes investments.</p> <p>With regards to Advisory Client investments, affiliates of RXR may be eligible to receive a percentage of investment proceeds on distributions (the “Advisory Client Carried Interest”). All distributions are split between Investors and affiliates of RXR as set forth in the applicable Advisory Client’s governing documents. The Advisory Client Carried Interest is generally equal to 10-20% of realized gains, which applies once an Investor in the relevant Advisory Client has received a specific preferred return (the “Advisory Client Return”). Investors are generally allocated all gains until they have surpassed the Advisory Client Return. Under certain circumstances RXR has negotiated Management Fees and Carried Interest.</p> <p>With regards to the NTR, affiliates of the Relying Adviser may be eligible to receive a percentage of investment proceeds on distributions (the “NTR Carried Interest”). All distributions are split among Investors, affiliates of the Relying Adviser and affiliates of the NTR adviser as set forth in the applicable NTR governing documents. The NTR Carried Interest is generally equal to 15% of distributions, which applies once an Investor in the NTR has received a specified return (the “NTR Return”). Investors in the NTR are generally allocated all distributions until they have surpassed the NTR Return.</p> <p><b>It is important that Clients and Investors refer to the applicable governing documents relating to their investment for a complete understanding of how RXR (or its affiliates) are compensated for advisory services. This is particularly true with respect to performance-based compensation. The information contained herein is a summary only and is qualified in its entirety by such documents.</b></p>
<p><b>Item 5.B</b></p>	<p><b>Describe whether you deduct fees from <i>clients’</i> assets or bill <i>clients</i> for fees incurred. If <i>clients</i> may select either method, disclose this fact. Explain how</b></p>

	<p><b>often you bill <i>clients</i> or deduct your fees.</b></p> <p>RXR may determine, in its sole discretion, to deduct fees from Advisory Clients or bill Advisory Clients for fees incurred. Generally RXR deducts fees from Advisory Clients' accounts unless liquid funds are unavailable.</p> <p>The Relying Adviser will bill the NTR for fees earned.</p>
<b>Item 5.C</b>	<p><b>Describe any other types of fees or expenses <i>clients</i> may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that <i>clients</i> will incur brokerage and other transaction costs, and direct <i>clients</i> to the section(s) of your <i>brochure</i> that discuss brokerage.</b></p> <p>The Advisory Clients will typically be responsible for all expenses including, but not limited to, the following: (i) costs of organizing the Advisory Client (excluding any placement agent fees), which costs may be capped; (ii) expenses incurred in connection with identifying, evaluating, structuring and negotiating any potential investment (including deposits and commitment fees) and the acquisition, holding, sale, proposed sale or valuation of any investments; (iii) litigation-related and indemnification expenses; (iv) ordinary administrative expenses of the Advisory Client, including fees of auditors, attorneys, appraisers and other professionals and the cost of meetings of, and reports to, the Investors and the advisory committee (if applicable); and (v) certain internal legal and construction costs incurred by affiliates of RXR (to the extent such costs could have been outsourced).</p> <p>Subject to certain limitations, Investors in the NTR will typically be responsible for all expenses including, but not limited to, expenses related to the following: (i) offering services, (ii) acquisition services, (iii) asset management services, (iv) accounting and other administrative services, (v) financing services, and (vi) disposition services.</p> <p><b>It is important that Investors refer to the governing documents relating to their investment for a complete understanding of the expenses that will be borne by Investors. The information contained herein is a summary only and is qualified in its entirety by such documents.</b></p>
<b>Item 5.D</b>	<p><b>If your <i>clients</i> either may or must pay your fees in advance, disclose this fact. Explain how a <i>client</i> 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.</b></p> <p>Management Fees paid by Advisory Clients are paid quarterly in advance. RXR (or its affiliates) have the right, <u>but not the obligation</u>, to rebate or refund any such Management Fees to Advisory Clients.</p>
<b>Item 5.E</b>	<p><b>If you or any of your <i>supervised persons</i> accepts compensation for the sale of securities or other investment products, including asset-based sales charges</b></p>

	<p>or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.</p> <p>Not applicable to RXR.</p>
Item 5.E.1	<p>Explain that this practice presents a conflict of interest and gives you or your <i>supervised persons</i> an incentive to recommend investment products based on the compensation received, rather than on a <i>client's</i> needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to <i>clients</i>. If you primarily recommend mutual funds, disclose whether you will recommend “no-load” funds.</p> <p>Not applicable to RXR.</p>
Item 5.E.2	<p>Explain that <i>clients</i> have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.</p> <p>Not applicable to RXR.</p>
Item 5.E.3	<p>If more than 50% of your revenue from advisory <i>clients</i> results from commissions and other compensation for the sale of investment products you recommend to your <i>clients</i>, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.</p> <p>Not applicable to RXR.</p>
Item 5.E.4	<p>If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.</p> <p>Not applicable to RXR.</p>



## ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

**If you or any of your *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.**

RXR (or its affiliate) is eligible to receive performance-based compensation from all Clients upon the distribution of investment proceeds in the form of Carried Interest.

RXR may also manage Clients that it may not charge performance-based fees. In the event that certain Clients do not pay performance-based fees there is a potential incentive for RXR to allocate investment opportunities to those Clients that pay higher fees which could create a conflict of interest. RXR has adopted and implemented an allocation policy which it adheres to in order to mitigate this conflict. Allocation decisions are subject to the investment objectives of the Client as well as certain other investment allocation criteria, including, in certain circumstances, review by either (i) an Advisory Committee consisting of independent Investors, or (ii) a Board of Directors consisting of a majority of independent directors, whichever is applicable.

## 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.**

RXR provides investment advisory services to pooled investment vehicles operating as private investment funds, certain special purpose investment vehicles, and the NTR.

Interests in Clients are sold only to investors who meet qualification requirements under applicable securities and other laws.

Generally, the minimum capital commitment of an Investor in an Advisory Client is \$10 million, although lesser commitment amounts may be accepted in the discretion of RXR (or its affiliate).

In addition to the suitability standards of various States, the NTR has established suitability standards that require an investor to have either (i) a net worth of at least \$250,000, or (ii) an annual income of \$70,000 and a net worth of at least \$70,000.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Item 8.A	<p><b>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 <i>clients</i> should be prepared to bear.</b></p> <p>As described in Item 4 above, RXR provides advisory services to its Clients in connection with real estate investments primarily in New York City and the surrounding New York Tri-State area. Typically, the Clients will invest primarily in office and office-centered mixed-use opportunities and in other property types. Client investments may take the form of debt, equity, preferred equity, mezzanine debt, rescue capital and other structured financings involving acquisitions, repositionings, redevelopments and developments.</p> <p>In order to affect its investment strategy, RXR seeks to capitalize on current market dynamics. To do so, RXR pursues investment strategies such as (i) property acquisitions from operationally or financially challenged owners and developers; (ii) acquisition of loans, equity, preferred equity, and other structured debt and equity interests and fulcrum debt positions; and (iii) the origination of “Loan-as-if-Owned” financings. In addition, RXR seeks to execute value creation opportunities through development, redevelopment and repositioning opportunities such as the acquisition of (i) properties with non-revenue maximizing tenancies, (ii) buildings with low occupancy levels, including vacant properties, (iii) assets with substantial near-term rollover risks, (iv) office properties with below market rents, (v) corporate divestitures, (vi) under-managed properties, and (vii) multi-family, office and mixed-use assets in emerging New York Tri-State area sub-markets.</p> <p>As part of its investment process, RXR (or its affiliates) employs a standardized protocol for underwriting and transaction executions. This protocol provides a framework upon which the acquisitions team develops and executes their work program, including opportunity pre-screening, underwriting and analysis, presentation to the investment committee and equity partners, and negotiating relevant terms with various parties as applicable (i.e., operating partner, equity partner, debt financing, etc.). The protocol provides the underwriting team with guidance through due diligence, final approvals, final negotiations and closing.</p> <p>After an investment is made, RXR periodically evaluates investments by applying qualitative and quantitative analysis, engaging third party professionals such as appraisers at times and monitoring financial and real estate markets for opportunities to enhance value through sales, recapitalizations, capitalizations or dispositions.</p> <p>Investments in securities involve risks of loss that Clients should be prepared to bear.</p>
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	<p><b>Clients and Investors should thoroughly review the information contained in the governing documents applicable to their respective investments.</b></p>
Item 8.B	<p><b>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.</b></p> <p><u>Leverage</u></p> <p>The Clients will likely utilize non-recourse or recourse debt to finance the acquisition of certain properties. While the use of leverage will increase the proceeds available for investment by the Clients and thus create an opportunity for a greater yield and increased diversification of the Clients' portfolios, it also increases the exposure to capital risk and risk of loss on a particular leveraged property. In addition, fluctuations in market values may significantly decrease the availability and increase the costs of real estate mortgage loans. The ability to obtain financing quickly and on reasonable terms is important to the success of the Clients.</p> <p>The Clients will incur obligations to pay interest and to repay principal on its leveraged assets. The Clients may, under some circumstances, be required to liquidate assets to service such interest and principal obligations. If the Clients default on indebtedness secured by a particular property, the lender may foreclose and the Clients could lose its entire investment in the property. The Clients may also engage in portfolio financing, whereby several properties are cross-collateralized, and multiple properties may be subject to the risk of loss. As a result, the Clients could be divested of performing properties in the event such properties are cross-collateralized with poorly performing or non-performing properties. In addition, any use of recourse debt will subject the other assets of the Clients to risk of loss.</p> <p><u>Competition for Acquisitions and Tenants</u></p> <p>The activity of identifying, completing and realizing attractive real estate investments has from time to time been highly competitive, and involves a high degree of uncertainty. Competition exists for investment opportunities in most sectors of the real estate industry, including all sectors in which the Clients operate. The Clients may be competing for assets with entities, including without limitation, other real estate investment vehicles, individuals, financial institutions such as mortgage banks, pension funds and real estate investment trusts, and other institutional investors, any of which may have substantially greater economic and personnel resources than the Clients or better relationships with sellers of assets, lenders and others, thereby putting the Clients at a competitive disadvantage. These entities may also generally be able to accept more risk than the Clients prudently can manage. Competition may generally reduce the number of suitable</p>

	<p>prospective assets offered to the Clients and increase the bargaining power of property owners seeking to sell, thereby increasing prices. It is expected that other properties will compete with the Clients' properties in attracting tenants. If the demand for rental properties is reduced, or if competitors develop and/or acquire competing properties on a more cost -effective basis, rental rates may decrease, which may have an adverse effect on the income generated from the Clients' investments and their underlying value.</p> <p><u>Risks of Development and Redevelopment Properties</u></p> <p>Property development and redevelopment risks for the Clients include the risk that occupancy rates and rents at a newly completed property may be less than anticipated and the construction and leasing of a property may not be completed on schedule or may cost more than anticipated due to, among other factors, events beyond the control of the Clients (such as weather conditions, labor or material shortages or labor actions such as strikes). Development and redevelopment activities are also subject to risks relating to the inability to obtain, or delays in obtaining, all necessary zoning, land-use, building, occupancy and other required government permits and authorizations. It is also possible that construction or permanent financing may not be available on favorable terms or at all. Any of these risks could result in substantial unanticipated delays or additional expenses and, under certain circumstances, could prevent completion of development or redevelopment activities once commenced, any of which could have a material adverse effect on the Clients' performance. Properties under development or properties acquired for development or redevelopment may receive little or no cash flow from the date of acquisition through the date of completion of development or redevelopment and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development that makes such development less attractive than at the time it was commenced.</p> <p><u>Potential Lack of Diversification</u></p> <p>The Clients are subject to certain restrictions on investments and as a result will not be diversified by geographic region. In addition, the Clients' investments will not be fully diversified by asset type or other criteria and will be limited in number of assets. The Clients may make a limited number of investments and, as a consequence, the aggregate returns realized by Investors, or the overall performance of the Clients, may be adversely affected by the unfavorable performance of a small number of investments. A portfolio of investments that contains large investments in relatively few properties may be subject to greater change in value (losses or gains, as the case may be) than a portfolio composed of smaller investments in a greater number of properties. Additionally, poor conditions in a particular market where the Clients have multiple investments could significantly affect the total returns to the Investors. If the Clients make an investment in a transaction with the intent of refinancing or selling a portion of the investment, there is a risk that the Clients will be unable to successfully complete a financing or sale. This possibility could lead to increased risk as a result of the</p>
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	<p>Clients having an unintended long-term investment or reduced diversification, or holding a larger percentage of capital commitments in a single investment or asset type than desired.</p> <p><u>Unidentified Portfolio Assets</u></p> <p>RXR and its affiliates will be actively engaged in the process of identifying and conducting due diligence review of potential investment opportunities for the Clients. Thus, an investor in a Client is relying on the ability of RXR and its affiliates to identify appropriate investments for the Client, and is not making an investment in a specific portfolio of assets. Investors will not have an opportunity to evaluate the relevant economic, financial and other information that will be utilized by RXR and its affiliates in its selection and evaluation of investments or any specific asset.</p> <p><u>Expedited Transactions</u></p> <p>Investment analyses and decisions by RXR and its affiliates may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to RXR and its affiliates at the time of making an investment decision may be limited, and RXR and its affiliates may not have access to detailed information regarding the property, such as physical characteristics, environmental matters, zoning regulations or other local conditions affecting a property. Therefore, no assurance can be given that RXR and its affiliates will have knowledge of all circumstances that may adversely affect an investment. In addition, RXR and its affiliates expect to rely upon independent consultants in connection with its evaluation of proposed investment properties, and no assurance can be given as to the accuracy or completeness of the information provided by such independent consultants or to the Clients' right of recourse against them in the event errors or omissions do occur.</p> <p><u>Risks Related to the Current Conditions in the Credit Markets Generally</u></p> <p>The current conditions in the credit markets generally, including, without limitation, the continued weakness in the subprime and securitized mortgage sectors, the state of the broader mortgage and other debt markets, as well as the recent Eurozone sovereign debt crisis, could adversely affect one or more of the Clients' lenders and could cause one or more lenders to be unwilling or unable to provide the Clients with financing. This could potentially increase the Clients' financing costs, reduce the leverage ratio available, reduce liquidity, and otherwise adversely affect the availability or terms of funding for the Clients and their assets. If one or more major market participants fail or experience financial problems, the marketability of all fixed income securities, including mortgage securities, could be negatively impacted which could adversely affect the pricing and availability of loans for the Clients. Additionally, in connection with a potential investment, the Clients may enter into an agreement to purchase property or assets which requires the Clients to make a deposit without first having</p>
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	<p>obtained financing for such investment. There is a risk that the Clients will be unable to obtain financing, or that a lender will default in respect of its commitment to provide financing, for a potential investment, resulting in the Clients' forfeiture or loss of any deposit made in connection with the potential investment. Furthermore, if lenders are unwilling or unable to provide the Clients with additional financing, the Clients could be forced to sell its assets at an inopportune time when prices are depressed.</p> <p><u>Uninsured Losses</u></p> <p>Clients will attempt to maintain insurance coverage against liability to third parties and property damage as is customary for similarly situated businesses. However, there can be no assurance that insurance will be available or sufficient to cover any such risks. Insurance against certain risks, such as earthquakes, floods or acts of terrorism, may be unavailable, available in amounts that are less than the full market value or replacement cost of investment properties or available at such a high rate that to maintain such coverage would cause an adverse impact on the relevant investments, or subject to a large deductible. In general, losses related to terrorism are hard and expensive to insure against. In addition, there can be no assurance that the particular risks which are currently insurable will continue to be insurable on an economic basis. Because Clients are pooled investment funds, if a major uninsured loss occurs, the Clients could lose both invested capital in and anticipated profits from the affected investment, and all the Client's assets may be at risk in the event of an uninsured liability to third parties.</p> <p><u>Inability to Sell Assets at End of the Advisory Client's Term</u></p> <p>The Advisory Clients may have difficulty or be unable to dispose of their assets at the end of the term of the Advisory Clients, thus delaying the distribution to Investors of their capital and profits arising from the Advisory Client's investments. The Advisory Clients may make investments which may not be advantageously disposed prior to the date that the Advisory Clients will be dissolved, either by expiration of the Advisory Clients' term or otherwise. Although RXR and its affiliates expect that investments will be disposed of prior to dissolution, the Advisory Clients may have to sell, distribute, or otherwise dispose of investments at a disadvantageous time as a result of dissolution.</p> <p><u>Uncertainty of Financial Projections</u></p> <p>Clients generally will determine the appropriate capital structure for each property in which they invest based upon financial projections for that property. Projected operating results will normally be based primarily on management's judgments. In all cases, projections are only estimates of future results based upon assumptions made at the time the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. While the Clients intend to make investments that are expected to have returns commensurate with the risks undertaken, there can be no assurance</p>
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	<p>that the Client will achieve its investment objectives or targeted returns, and there can be no guarantee that capital contributed by Investors will be returned.</p> <p><u>Yield Assessment Risk</u></p> <p>Before pursuing any investments, RXR and its affiliates will consider the expected yield of the investment and the factors that may influence the yield actually obtained on such investment. These considerations will affect the Client's decision whether to pursue acquisition of such an investment and the price offered for such an investment. Despite management's experience in evaluating potential investments, no assurances can be given that the Clients can make an accurate assessment of the yield to be produced by an investment. Many factors beyond the control of the Clients are likely to influence the yield on the Clients' investments, including, but not limited to, competitive conditions in the local real estate market, and local and general economic conditions and the other factors discussed herein.</p> <p><u>Market Risks; Non-Controlling Investments; Investments in Third Parties</u></p> <p>Clients may have some investments that are publicly traded. Such investments may involve economic, political, interest rate and other risks, any of which could result in an adverse change in the market price. Such investments may also be made in markets that are relatively illiquid or volatile.</p> <p>Clients may hold a non-controlling interest in certain investments and, therefore, may have a limited ability to protect its position in such investments, although as a condition of investment, RXR and its affiliates expect that appropriate rights generally will be sought to protect the Clients' interests. Clients may also co-invest with third parties through partnerships, joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement that are not present in direct property investments. For example, such investments may not give the Clients the ability to influence the management of the company or to elect a representative to the company's board of directors. In addition, the management of the company or its shareholders may have economic or business interests which are inconsistent with those of the Clients, and they may be in a position to take action contrary to the Clients' objectives.</p> <p><u>Investments in Partnerships and Other Entities</u></p> <p>The Clients expect to make investments in other entities and enter into partnerships or joint ventures with others. Such investments may involve risks not present in direct property investments, including, for example, the possibility that a co-venturer or partner of the Client might become bankrupt, resulting in a negative impact on such investment, or may at any time have economic or business interests or goals that are divergent from or contrary to those of the Clients, or that such co-venturers or partners may be in a position to take (or block) action in a manner contrary to the Clients' investment objectives. In addition, Clients may be liable for actions of its co-venturers or partners. In those</p>
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	<p>circumstances where such co-venturers or partners involve a management group, such co-venturers or partners may receive compensation arrangements relating to such investments, including incentive compensation arrangements. While RXR and its affiliates will review the qualifications and previous experience of any proposed co-venturers or partners, it does not expect in all cases to obtain financial information from, or to undertake private investigations with respect to, prospective co-venturers or partners.</p> <p>Clients also may not be in a position unilaterally to control such investments or exercise certain rights associated with such investments. In addition, if a co-investing party removes its general partner or manager or terminates prior to the Client, then the ability of the Client to exercise certain rights associated with its investments may require the cooperation of a successor general partner or other persons. Furthermore, if the Clients and co-investors have the ability to dispose of their interests in the co-investment separately, a disposition of a large position by a co-investor may depress the market value of the continuing investment of the Client or may reduce the price available to the Client, which may also be disposing of its investment.</p> <p><u>Limitations on Obligations to Provide Capital</u></p> <p>If joint venture properties require capital in excess of the capital contributions required to be made by the Clients, there may be no obligation on the part of the venturers to provide such funds (by loan or otherwise) to any property owning joint venture even if the funds are needed to pay operating deficits, to meet cash requirements, to prevent foreclosure of a mortgage encumbering one or more properties, or for any other purpose. The cash available to a property-owning joint venture may be inadequate to meet its requirements. In that event, the properties owned by the joint venture could be lost as a result of a mortgage foreclosure, which likely would result in the loss of part or all of the Clients' investment in such joint venture and adverse tax and other consequences to the Investors.</p> <p><b>It is critical that Investors refer to the relevant offering memorandum or governing document for a complete understanding of the material risks involved in an investment in an Client. The information contained herein is a summary only and is qualified in its entirety by such document.</b></p>
<b>Item 8.C</b>	<p><b>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.</b></p> <p><u>Real Estate Ownership</u></p> <p>The Clients' investments will be subject to the risks generally incident to the ownership, operation and development of real property. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuation and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of the Clients' investments.</p>

	<p>Property cash flows and the marketability and value of real property are affected by a number of factors, some of which are beyond the control of the Clients, including, without limitation:</p> <ul style="list-style-type: none"> <li>• changes in the general and local economic climate;</li> <li>• changes in supply of and demand for competing properties in an area (as a result, for instance, of overbuilding);</li> <li>• the quality and philosophy of management;</li> <li>• attractiveness, location and physical condition of the properties;</li> <li>• competition based on rental rates;</li> <li>• financial condition and resources of tenants, buyers and sellers of properties;</li> <li>• quality of maintenance, insurance and management services;</li> <li>• changes in real estate and other taxes, operating costs and expenses;</li> <li>• changes or promulgation and enforcement of government regulations (including those governing land use, improvements, zoning, environmental, occupational and safety matters, rent control and taxes);</li> <li>• energy and supply shortages;</li> <li>• various uninsured or uninsurable risks;</li> <li>• changes in interest rates and credit market dislocation;</li> <li>• availability of financing which may render the sale or refinancing of properties difficult or impracticable;</li> <li>• natural disasters, acts of war or terrorism and other factors that are beyond the control of RXR or its affiliates; and</li> <li>• risks associated with the burdens of ownership of real property.</li> </ul> <p>If the Clients' investments do not generate sufficient revenues to meet their operating expenses, including debt service and capital expenditures, the Clients' cash flow and ability to pay distributions to Investors will be adversely affected. Additionally, all real estate and real estate-related investments are subject to the risk that a general downturn in a foreign economy or the national or local economy within the United States will depress real estate prices. Fluctuation in interest rates or other financial market volatility may restrict the availability of financing for future prospective purchasers of the Clients' investments and could significantly reduce the value of such investments.</p> <p><u>Investments in Troubled Assets</u></p> <p>The Clients may make investments in nonperforming or other troubled assets that have utilized excessively leveraged capital structures. By their nature, these investments will involve a high degree of financial risk, and there may be little or no near-term cash flow available to Investors. Nor can there be any assurance that the Clients' rate of return objectives will be realized or that there will be any return of capital. Furthermore, investments in properties operating in workout modes or under Chapter 11 of the United States Bankruptcy Code are, in certain circumstances, subject to certain additional potential liabilities that may exceed the value of the Clients' original investment. For example, under certain circumstances, lenders who have inappropriately exercised control of the</p>
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	<p>management and policies of a debtor may have their claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances under U.S. law, payments to the Clients and distributions by the Clients to Investors may be reclaimed if such payments or distributions are later determined to have been a fraudulent conveyance or a preferential payment. Numerous other risks also arise in the workout and bankruptcy contexts. Because the Clients may only make a limited number of investments and since many of the investments may involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to Investors.</p> <p><u>Preferred Equity and Mezzanine Investments</u></p> <p>Certain preferred equity and debt securities in which Clients may invest often will be subordinated to substantial amounts of senior indebtedness. The ability of Clients to influence a company's affairs, especially during periods of financial distress or following insolvency, is likely to be substantially less than that of senior creditors. Accordingly, Clients may not be able to take the steps necessary to protect its investments in a timely manner or at all. In addition, certain debt securities in which Clients may invest may not be protected by financial covenants, may have limited liquidity and may not be rated by a credit rating agency. Debt securities may also be subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws, (ii) so-called lender liability claims by the issuer of the obligations and (iii) environmental liabilities that may arise with respect to collateral securing the obligations. Client investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by Clients earlier than expected, resulting in a lower return to the Client than projected. In many cases, an Client's management of its investments and its remedies with respect thereto, including the ability to foreclose on any collateral securing such investments, will be subject to the rights of the senior lenders and contractual inter-creditor provisions. Accordingly, there can be no assurance that Clients' rate of return objectives will be realized on these investments.</p> <p><u>Risks of Investing in Real Estate Related Debt Investments</u></p> <p>Clients may originate debt investments and may also acquire not only performing, but sub-performing or non-performing debt investments, which are secured directly or indirectly by real estate. Any real estate debt investments that are in default may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and/or a substantial write-down of the principal of such debt investments. Additionally, a risk exists that upon maturity of a real estate loan (including a loan that has been successfully restructured) a replacement "takeout" financing will not be available. It is possible that the Clients may find it necessary or desirable to foreclose on collateral securing one or more real estate loans</p>
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	<p>purchased by the Clients. The foreclosure process can be lengthy and expensive. In some states, foreclosure actions can take up to several years or more to litigate. Foreclosure litigation tends to create a negative public image of the collateral property and related assets, and may disrupt the ongoing leasing and management of the property. At any time during the foreclosure proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure action and further delaying the foreclosure process. In any foreclosure action, the amount realized by the Clients, if any, may be substantially less than the sum of the underlying loan and the expenses incurred in connection with such foreclosure action. The amount that may be received by the Clients may also be substantially affected by foreclosure actions by lenders senior to the Clients, if any. Furthermore, the Clients may acquire debt of a private pooled investment vehicle that invests in real estate, or the manager of such a vehicle, with the intent of taking control of such vehicle, the manager or the underlying assets. There is no assurance that the Clients will ultimately control such vehicle, the manager or the underlying assets and if they do it might take longer and/or be more costly than the manager had anticipated.</p> <p><u>Environmental Matters</u></p> <p>Under various federal, state and local environmental laws and regulations, a current or previous owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances or petroleum product releases or threats of releases at such property, and may be held liable to a government entity or to third parties for property damage and for investigation, clean up and monitoring (collectively “Response”) costs incurred by such parties in connection with the actual or threatened contamination (the “Contamination”). These laws typically impose clean up responsibility and liability without regard to fault, or whether or not the owner knew of or caused the presence of the Contamination. The liability under these laws may be joint and several for the full amount of the Response costs incurred or to be incurred or Response actions to be undertaken, although a party held jointly and severally liable may obtain contributions from other identified, solvent, responsible parties for their fair share towards these costs. The Response costs may be substantial, and can exceed the value of the property. The presence of Contamination, or the failure to properly remediate Contamination, on such property may adversely affect the owner’s ability to sell or rent such property or to borrow using such property as collateral. In connection with its ownership and operation of the properties, the Clients may be liable for such costs.</p> <p>Prior to closing any property acquisition, if appropriate, RXR and its affiliates will obtain such environmental assessments as may be prudent in order to attempt to identify potential environmental concerns at such properties. These assessments will be carried out in accordance with accepted industry practices and generally may include a physical site inspection, a review of relevant federal, state and local environmental and health agency database records, one or more interviews with appropriate site-related personnel, review of the property’s chain of title and review of historic aerial photographs. Clients also may conduct limited subsurface</p>
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	<p>investigations and test for radon, asbestos and lead-based paint where the results of the first phase of the environmental assessment or other information indicates possible contamination or where such procedures are recommended by the Clients' consultants. However, an assessment is not a guaranty – there may be environmental issues that are not disclosed by the assessment or whose scope is beyond what is evaluated in the assessment.</p> <p>Furthermore, various federal, state and local environmental laws and regulations may impose restrictions on the manner in which real property may be used, businesses may be operated, or buildings may be constructed. Some of these laws and regulations have been amended so as to require compliance with new or more stringent standards as of future dates. Compliance with new or more stringent laws or regulations or stricter interpretation of existing laws may require us to incur material expenditures. Future laws, ordinances or regulations may impose material environmental liability or significantly increase development and construction costs.</p> <p><u>The Clients' Properties May Fail to Meet Performance Expectations</u></p> <p>A number of factors could prevent Clients' properties from performing as expected. Estimates of future income, expenses and the costs of improvements necessary for the Clients to operate an acquired property as originally intended may prove to be inaccurate. In addition, Clients expect to finance their investments in part through various forms of secured and unsecured financing and there is a risk that the cash flow from the Clients' investments will be insufficient to meet its debt service obligations.</p> <p><b>It is critical that Investors refer to the relevant offering memorandum or governing document for a complete understanding of the material risks involved in an investment in a Client. The information contained herein is a summary only and is qualified in its entirety by such document.</b></p>
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## 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 9.A, 9.B, and 9.C 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 9.A, 9.B, and 9.C 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 9.A, 9.B, or 9.C, 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.

Item 9.A	<p>A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"> <li>1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any <i>felony</i>; (b) a <i>misdemeanor</i> that <i>involved</i> investments or an <i>investment-related</i> 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;</li> <li>2. is the named subject of a pending criminal <i>proceeding</i> that involves an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;</li> <li>3. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation; or</li> <li>4. was the subject of any <i>order</i>, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a <i>management person</i> from engaging in any <i>investment-related</i> activity, or from violating any <i>investment-related</i> statute, rule, or <i>order</i></li> </ol>
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	Not applicable to RXR.
Item 9.B	<p><b>An administrative <i>proceeding</i> before the SEC, any other federal regulatory agency, any state regulatory agency, or any <i>foreign financial regulatory authority</i> in which your firm or a <i>management person</i></b></p> <ol style="list-style-type: none"> <li>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</li> <li>2. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation and was the subject of an <i>order</i> by the agency or authority <ol style="list-style-type: none"> <li>(a) denying, suspending, or revoking the authorization of your firm or a <i>management person</i> to act in an <i>investment-related</i> business;</li> <li>(b) barring or suspending your firm's or a <i>management person's</i> association with an <i>investment-related</i> business;</li> <li>(c) otherwise significantly limiting your firm's or a <i>management person's investment-related</i> activities; or</li> <li>(d) imposing a civil money penalty of more than \$2,500 on your firm or a <i>management person</i>.</li> </ol> </li> </ol> <p>Not applicable to RXR.</p>
Item 9.C	<p><b>A self-regulatory organization (SRO) proceeding in which your firm or a management person</b></p> <ol style="list-style-type: none"> <li>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</li> <li>2. was <i>found</i> to have been <i>involved</i> in a violation of the <i>SRO's</i> 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 <i>investment-related</i> activities; or (iii) fined more than \$2,500.</li> </ol> <p>Not applicable to RXR.</p>

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Item 10.A	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.</p> <p><a href="#">Not applicable to RXR.</a></p>
Item 10.B	<p>If you or any of your <i>management persons</i> 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.</p> <p><a href="#">Not applicable to RXR.</a></p>
Item 10.C	<p>Describe any relationship or arrangement that is material to your advisory business or to your <i>clients</i> that you or any of your <i>management persons</i> have with any <i>related person</i> listed below. Identify the <i>related person</i> and if the relationship or arrangement creates a material conflict of interest with <i>clients</i>, describe the nature of the conflict and how you address it.</p> <ol style="list-style-type: none"> <li>1. broker-dealer, municipal securities dealer, or government securities dealer or broker</li> <li>2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)</li> <li>3. other investment adviser or financial planner</li> <li>4. futures commission merchant, commodity pool operator, or commodity trading advisor</li> <li>5. banking or thrift institution</li> <li>6. accountant or accounting firm</li> <li>7. lawyer or law firm</li> <li>8. insurance company or agency</li> <li>9. pension consultant</li> <li>10. real estate broker or dealer</li> <li>11. sponsor or syndicator of limited partnerships</li> </ol> <p><a href="#">Affiliated Investment Adviser</a></p> <p><a href="#">RNY Australia Management Limited, an Australian company serves as the investment adviser to RNY Property Trust (the “Trust”), an Australian listed property trust with the primary strategy of investing in office properties in the New York Tri-State area. The Trust is listed on the Australian Securities</a></p>



	<p>Exchange (ASX: RNY). The members of RXR’s Investment Committee also serve as officers and board members of the Trust.</p> <p>RXR recognizes the potential conflicts of interest when its principals hold a significant interest in another investment adviser. In particular, there are potential conflicts in that the principals could spend time managing the other investment adviser, take for the Trust an opportunity suited for the Clients, or utilize research paid for by Investors for the Trust. RXR addresses these potential conflicts through its Code of Ethics (the “Code”) which, as described in Item 11, sets forth RXR’s status as a fiduciary and requires management persons to act in the best interest of the Clients and to place the interests of Clients ahead of their own and those of RXR. Also, RXR discloses the Trust and the fact that its principals may have other investment activities outside of the Clients in relevant offering and governing documents provided to Investors.</p> <p><u>Affiliated Investment Sub-Adviser</u></p> <p>RXR NTR Sub-Advisor LLC, a Delaware limited liability company (the “Relying Adviser”) serves as the investment sub-adviser to NorthStar/RXR New York Metro Real Estate, Inc. (the “NTR”), a Maryland corporation with the primary strategy of investing in high-quality office and mixed-use properties in the New York Tri-State area. The NTR registered common stock with the Securities &amp; Exchange Commission in February 2015.</p> <p>RXR recognizes the potential conflicts of interest when its principals hold a significant interest in another investment adviser. In particular, there are potential conflicts in that the principals could spend time managing the other investment adviser, and/or take for the NTR an opportunity suited for the Advisory Clients. These potential conflicts are addressed in the governing documents of the NTR and through RXR’s Code of Ethics (the “Code”). The NTR’s governing documents disclose that RXR must first present investment opportunities to one of the RXR Advisory Clients and if such Advisory Client declines such investment opportunity then RXR will present it to the NTR. Also, the RXR Code, which as described in Item 11, sets forth RXR’s status as a fiduciary and requires management persons to act in the best interest of the Clients and to place the interests of Clients ahead of their own and those of RXR. Also, RXR discloses the NTR and the fact that its principals may have other investment activities outside of the Clients in relevant offering and governing documents provided to Investors.</p> <p><u>Affiliated Real Estate Broker or Dealer</u></p> <p>RXR Realty LLC, an affiliate and indirect owner of RXR, provides certain property management and operating services.</p> <p>RXR Realty LLC (or its affiliates) may provide certain property-related services on behalf of the Client’s investments including leasing, management, construction and development services. RXR Realty LLC is entitled to receive customary</p>
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	<p>market compensation for such services; provided that RXR Realty LLC will not be entitled to any acquisition, disposition or financing fees from Advisory Clients.</p> <p><u>Affiliated General Partners</u></p> <p>Affiliates of RXR serve as the general partner to various Advisory Clients. Affiliates of RXR (including the general partners) may also invest directly or indirectly in the Advisory Clients. In addition, employees of RXR (or its affiliates) also invest directly in the Advisory Clients (or indirectly through an affiliate or co-investment vehicle).</p> <p><u>Affiliated Joint Ventures</u></p> <p>Affiliates of RXR serve as general partner and managing member of various affiliated joint ventures, and as such are entitled to receive certain fees. Potential conflicts could arise involving allocation of investment opportunities between Clients and these affiliated joint ventures. Such investment allocation decisions are generally determined by the investment objectives of the Clients and may, in certain circumstances, be subject to the review of either a Client's: (i) Advisory Committee consisting of independent Investors, or (ii) Board of Directors consisting of a majority of independent directors, whichever is applicable.</p> <p>A potential conflict could also arise in the event an RXR affiliate and a Client are members of the same affiliated joint venture and have different strategies relating to operations, financings or disposition. To the extent such conflict arises RXR will generally seek the advice of either the Client's: (i) Advisory Committee consisting of independent Investors, or (ii) Board of Directors consisting of a majority of independent directors, whichever is applicable.</p> <p><u>Outside Business Activities of Related Persons</u></p> <p>Management persons of RXR may serve on boards of directors, executive committees, or advisory boards at various unaffiliated companies and organizations. Serving in such a capacity may expose such management person, and by association RXR and the Clients, to certain conflicts of interest.</p> <p>RXR maintains internal compliance policies that are intended to minimize the negative effects of such conflicts if they arise, however, there can be no assurance that permitting the board membership of an employee will not result in less favorable results for the Clients than if the management person was not permitted to serve in such capacity. Finally, it should be noted Clients and Investors are provided with disclosure with respect to these conflicts in the applicable Client's offering documents.</p>
<b>Item 10.D</b>	<p><b>If you recommend or select other investment advisers for your <i>clients</i> 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,</b></p>

	<p><b>describe these practices and discuss the material conflicts of interest these practices create and how you address them.</b></p> <p>Not applicable to RXR.</p>
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## ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Item 11.A	<p><b>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.</b></p> <p>RXR's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). The Code applies to RXR's "Access Persons." Access Persons include, generally, any partner, officer or director of RXR and any employee or other supervised person of RXR (or an affiliate) who, in relation to the Clients, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public.</p> <p>The Code sets forth a standard of business conduct that takes into account RXR's status as a fiduciary and requires Access Persons to place the interests of the Clients and Investors above their own interests and the interests of RXR and its affiliates. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of RXR's Chief Compliance Officer (the "Chief Compliance Officer"). All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter.</p> <p>The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide RXR's Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, RXR's Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1.</p> <p>In addition, the Code seeks to ensure the protection of non-public information about the activities of the Clients. Investors or prospective Investors may obtain a copy of the Code by contacting the Chief Compliance Officer at 516-506-6777 or fsheehan@rxrrealty.com.</p>
Item 11.B	<p><b>If you or a <i>related person</i> recommends to <i>clients</i>, or buys or sells for <i>client</i> accounts, securities in which you or a <i>related person</i> has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</b></p> <p><b>Examples: (1) You or a <i>related person</i>, as principal, buys securities from (or sells securities to) your <i>clients</i>; (2) you or a <i>related person</i> acts as general</b></p>

	<p><b>partner in a partnership in which you solicit <i>client</i> investments; or (3) you or a <i>related person</i> acts as an investment adviser to an investment company that you recommend to <i>clients</i>.</b></p> <p>As explained above, RXR serves as the investment manager to the Clients and recommends interests in the Advisory Clients to prospective Investors. RXR (or its affiliates) have a material financial interest with respect to fees paid by Clients and Investors. Management Fees are payable without regard to the overall success or income earned by the Clients and therefore may create an incentive on the part of RXR to raise or otherwise increase assets under management to a higher level than would be the case if RXR were receiving a lower or no Management Fee. Clients and Investors are provided with clear disclosure as to how fees are charged and the risks associated with such fees prior to making an investment.</p> <p>RXR, its supervised persons, employees of affiliates, or related persons may also invest directly in the Clients. It should be noted that investments in the Clients made by such parties are not typically subject to the asset-based fees described above. The fact that RXR's principals and employees have financial ownership interests in the Clients also creates a potential conflict in that it could cause RXR to make different investment decisions than if such parties did not have such financial ownership interests.</p> <p>It should also be noted that RXR and its affiliates may give advice and recommend the purchase or sale of securities and other financial instruments, or buy or sell such securities, and instruments for their own account or that of other clients, which advice or instruments may differ from advice given to, or instruments recommended or bought or sold for, the Clients, even though their investment objectives may be the same or similar.</p> <p>As stated above, in order to address these potential conflicts and in recognition of RXR's fiduciary obligations to the Clients and RXR's desire to maintain its high ethical standards, RXR has adopted a Code of Ethics containing provisions designed to: (i) prevent improper personal trading by RXR's access persons; (ii) prevent improper use of material, non-public information about securities recommendations made by RXR or securities holdings of the Clients; (iii) identify conflicts of interest; and (iv) provide a means to resolve any actual or potential conflict in favor of the Clients.</p> <p>Affiliates of RXR serve as general partner and managing member of various affiliated joint ventures, and as such are entitled to receive certain fees. Potential conflicts could arise involving allocation of investment opportunities between Clients and these affiliated joint ventures. Such investment allocation decisions are generally determined by the investment objectives of the Clients and may be subject to the review of either a Client's: (i) Advisory Committee consisting of independent Investors, or (ii) Board of Directors consisting of a majority of independent directors, whichever is applicable.</p>
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	<p>A potential conflict could also arise in the event an RXR affiliate and a Client are members of the same affiliated joint venture and have different strategies relating to operations, financings or disposition. To the extent such conflict arises RXR will generally seek the advice of either the Client's: (i) Advisory Committee consisting of independent Investors, or (ii) Board of Directors consisting of a majority of independent directors, whichever is applicable.</p>
<b>Item 11.C</b>	<p><b>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.</b></p> <p>Access Persons are permitted to make securities transactions in their personal accounts. This could present a potential conflict in that an Access Person could make improper use of information such as a Client's holdings or future transactions or research paid for by the Client. RXR manages the potential conflicts of interest inherent in an Access Person's personal trading by rigorous enforcement of its Code, which contains certain pre-clearance and reporting guidelines for Access Persons. Specifically, RXR requires that Access Person's transactions including those in limited offerings, private placements and initial public offerings must be pre-cleared with the Chief Compliance Officer.</p> <p>RXR and its affiliated persons do not trade securities on material, non-public information. RXR maintains a "Restricted List" with the names of issuers of securities about which RXR (or its Access Persons) has learned material, non-public information. Access Persons are strictly prohibited from trading securities on the Restricted List (or any other securities to which the material, non-public information relates).</p> <p>In addition, RXR receives transaction and holdings reports in accordance with Advisers Act Rule 204A-1. The Chief Compliance Officer or his designee also reviews Access Persons' personal transaction and holdings reports to make sure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code.</p> <p>Affiliates of RXR serve as general partner and managing member of various affiliated joint ventures, and as such are entitled to receive certain fees. Potential conflicts could arise involving allocation of investment opportunities between Clients and these affiliated joint ventures. Such investment allocation decisions are generally determined by the investment objectives of the Clients and may, in certain circumstances, be subject to the review of either a Client's: (i) Advisory Committee consisting of independent Investors, or (ii) Board of Directors consisting of a majority of independent directors, whichever is applicable.</p> <p>A potential conflict could also arise in the event an RXR affiliate and a Client are members of the same affiliated joint venture and have different strategies relating to operations, financings or disposition. To the extent such conflict</p>

	<p>arises RXR will generally seek the advice of either the Client's: (i) Advisory Committee consisting of independent Investors, or (ii) Board of Directors consisting of a majority of independent directors, whichever is applicable.</p> <p>RXR may from time to time, for its own account or the account of Clients, effect transactions in and hold securities and other investments. RXR seeks to act in the best interest of all Clients when considering allocations of investment opportunities among its Clients and RXR and/or other investment partnerships in which RXR or an affiliate participates. RXR, its affiliates or Clients may invest or co-invest in investments in which another Client has an interest. Investment opportunities that RXR has determined in its good faith business judgment not to pursue for Clients in whole or in part may be made by RXR subject to the terms of the applicable governing documents of the Clients. Thus, Clients and RXR may be viewed as competing for appropriate investments. RXR is committed to always acting in the best interest of its Clients.</p>
<b>Item 11.D</b>	<p><b>If you or a <i>related person</i> recommends securities to <i>clients</i>, or buys or sells securities for <i>client</i> accounts, at or about the same time that you or a <i>related person</i> buys or sells the same securities for your own (or the <i>related person's</i> own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</b></p> <p>Please refer to Items 11.A, 11.B, and 11.C.</p>

## ITEM 12 – BROKERAGE PRACTICES

Item 12.A.1	<p>Describe the factors that you consider in selecting or recommending broker-dealers for <i>client</i> transactions and determining the reasonableness of their compensation (e.g., commissions).</p> <ol style="list-style-type: none"> <li>1. <b>Research and Other Soft Dollar Benefits.</b> 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. <ol style="list-style-type: none"> <li>a. Explain that when you use <i>client</i> 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.</li> <li>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 <i>clients’</i> interest in receiving most favorable execution.</li> <li>c. If you may cause <i>clients</i> to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.</li> <li>d. Disclose whether you use soft dollar benefits to service all of your <i>clients’</i> accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to <i>client</i> accounts proportionately to the soft dollar credits the accounts generate.</li> <li>e. Describe the types of products and services you or any of your <i>related persons</i> acquired with <i>client</i> brokerage commissions (or markups or markdowns) within your last fiscal year.</li> <li>f. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for soft dollar benefits you received.</li> </ol> </li> </ol> <p>As described in Item 4, above, RXR is the investment adviser to Clients that invest in real estate and real estate related assets. Due to the nature of the Client’s investment programs, RXR and its affiliates do not select or recommend broker-dealers for Client transactions.</p>
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	RXR does not utilize “soft dollars.”
Item 12.A.2	<p><b><u>Brokerage for Client Referrals.</u></b> If you consider, in selecting or recommending broker-dealers, whether you or a <i>related person</i> receives <i>client</i> referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.</p> <ul style="list-style-type: none"> <li>a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving <i>client</i> referrals, rather than on your <i>clients’</i> interest in receiving most favorable execution.</li> <li>b. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for <i>client</i> referrals.</li> </ul> <p>Not applicable to RXR.</p>
Item 12.A.3	<p><b><u>Directed Brokerage.</u></b></p> <ul style="list-style-type: none"> <li>a. If you routinely <u>recommend</u>, <u>request</u> or <u>require</u> that a <i>client</i> direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their <i>clients</i> 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 <i>client</i> transactions, and that this practice may cost <i>clients</i> more money.</li> <li>b. If you <u>permit</u> a <i>client</i> to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of <i>client</i> transactions. Explain that directing brokerage may cost <i>clients</i> more money. For example, in a directed brokerage account, the <i>client</i> may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the <i>client</i> may receive less favorable prices.</li> </ul> <p>Not applicable to RXR.</p>
Item 12.B	<p>Discuss whether and under what conditions you aggregate the purchase or sale of securities for various <i>client</i> accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to <i>clients</i> of not aggregating.</p> <p>Not applicable to RXR.</p>

## ITEM 13 – REVIEW OF ACCOUNTS

Item 13.A	<p><b>Indicate whether you periodically review <i>client</i> accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the <i>supervised persons</i> who conduct the review.</b></p> <p>The Advisory Client’s portfolios are under periodic review by RXR’s investment committee which currently consists of Scott Rechler, Michael Maturo and Jason Barnett. Formal reviews by the investment committee occur on an annual basis.</p>
Item 13.B	<p><b>If you review <i>client</i> accounts on other than a periodic basis, describe the factors that trigger a review</b></p> <p>Please see Item 13.A. The accounts are under continuous review.</p>
Item 13.C	<p><b>Describe the content and indicate the frequency of regular reports you provide to <i>clients</i> regarding their accounts. State whether these reports are written.</b></p> <p>Generally, Investors will receive quarterly reports. In addition, Investors will receive annual financial statements.</p>

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Item 14.A	<p>If someone who is not a <i>client</i> provides an economic benefit to you for providing investment advice or other advisory services to your <i>clients</i>, 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.</p> <p>Not applicable to RXR.</p>
Item 14.B	<p>If you or a <i>related person</i> directly or indirectly compensates any <i>person</i> who is not your <i>supervised person</i> for <i>client</i> referrals, describe the arrangement and the compensation.</p> <p>Neither RXR nor its affiliates currently use placement agents for client referrals (though such parties or their affiliates may use placement agents in the future). In the future, if RXR (or its affiliates) decide to engage the services of a solicitor, such referral activities will be conducted in a manner that is consistent with Advisers Act Rule 206(4)-3 and relevant SEC guidance, including No-Action Letters.</p>

## 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.**

RXR is generally deemed to have custody of its Advisory Client's assets pursuant to Advisers Act Rule 206(4)-2 and maintain such Advisory Client's cash and securities certificates with a qualified custodian as required under such rule. Investors in some Advisory Clients will receive account statements from such qualified custodian and should compare these statements against any statements received from RXR. RXR seeks to satisfy the requirements of Rule 206(4)-2 with respect to certain Advisory Clients by engaging an independent public accountant registered with, and regularly examined by, the Public Company Accounting Oversight Board to conduct an annual audit of such Advisory Clients financial statements. Audited financial statements will be distributed to investors in such Advisory Clients within 120 days after the end of the relevant Advisory Client's fiscal year (i.e., generally by April 30).

RXR also may satisfy the requirements of Rule 206(4)-2 with respect to certain of its Advisory Clients by undergoing an annual surprise examination performed by an independent public accountant registered with, and regularly examined by, the Public Company Accounting Oversight Board.

## **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).**

RXR has discretionary authority to manage securities accounts on behalf of its Advisory Clients. Investors do not have the ability to impose limitations on the discretionary authority of RXR. Typically, Investors in Advisory Clients must execute a limited liability company agreement or limited partnership agreement (as applicable). In addition, Investors in Advisory Clients invested in pooled vehicles must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool.

## ITEM 17 – VOTING CLIENT SECURITIES

Item 17.A	<p><b>If you have, or will accept, authority to vote <i>client</i> 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 <i>clients</i> can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your <i>clients</i> with respect to voting their securities. Describe how <i>clients</i> may obtain information from you about how you voted their securities. Explain to <i>clients</i> that they may obtain a copy of your proxy voting policies and procedures upon request.</b></p> <p>Based upon RXR’s real-estate focused investment strategy (and lack of involvement in publicly-traded equities) it does not vote proxies. If in the future it is contemplated that RXR may exercise voting authority with respect to any client securities, RXR will adopt proxy policies and procedures that are consistent with Rule 206(4)-6.</p>
Item 17.B	<p><b>If you do not have authority to vote <i>client</i> securities, disclose this fact. Explain whether <i>clients</i> 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) <i>clients</i> can contact you with questions about a particular solicitation.</b></p> <p>Not applicable to RXR.</p>

## ITEM 18 – FINANCIAL INFORMATION

Item 18.A	<p>If you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, include a balance sheet for your most recent fiscal year.</p> <ol style="list-style-type: none"> <li>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.</li> <li>2. Show parenthetically the market or fair value of securities included at cost.</li> <li>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.</li> </ol> <p>Not applicable to RXR.</p>
Item 18.B	<p>If you have <i>discretionary authority</i> or <i>custody</i> of <i>client</i> funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to <i>clients</i>.</p> <p>Not applicable to RXR.</p>
Item 18.C	<p>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.</p> <p>Not applicable to RXR.</p>