

Highcross Strategic Partners LLC

Corporation Trust Centre

1209 Orange Street, Wilmington

New Castle, DE, 19801

Phone: (302) 658-7581

Fax: (302) 655-2480

www.highcross.co.uk

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This brochure provides information about the qualifications and business practices of Highcross Strategic Partners LLC. If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, Mike Megan at +44 (0) 1635 521088. 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.

Additional information about Highcross Strategic Partners LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes Summary

On October 12th, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated February 22nd, 2012 is a new document prepared according to the SEC’s new requirements and rules.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes.

Item 3: Table of Contents

Item 1: Cover page	1
Item 2: Material Changes Summary	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	6
Item 6: Performance-Based Fees and Side-by-side Management	7
Item 7: Types of Clients.....	8
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9: Disciplinary Information	13
Item 10: Other Financial Industry Activities and Affiliations	13
Item 11: Code of Ethics	14
Item 12: Brokerage Practices	15
Item 13: Review of Accounts	15
Item 14: Client Referrals and Other Compensation.....	16
Item 15: Custody.....	17
Item 16: Investment Discretion.....	17
Item 17: Voting Client Securities	18
Item 18: Financial Information	18
Item 19: Requirements for State-Registered Advisers.....	18

Item 4: Advisory Business

Firm Description

Highcross Strategic Partners LLC, Highcross Strategic Partners II LLC and Highcross Strategic Partners III LLC (together the “General Partners”), affiliates of Highcross Group Limited (“Highcross”), are Delaware limited liability companies established in 2003, 2006 and 2008 respectively and serve as the sponsor/general partner of private real estate investment vehicles/partnerships (“the Funds”) investing in regional U.K. commercial properties. Highcross is a private, fully integrated real estate operating company controlled by Sir Peter Michael, Highcross’s co-founder, who has nearly 40 years of investment experience in real estate, media and technology in Europe and the United States. The remaining investors in the Funds are the “Limited Partners”. The terms “investors” and “Limited Partners” are used interchangeably for the remaining investors of the Funds hereafter in this brochure.

All investment decisions regarding the Funds are made by the General Partners. The investment advisory services are delegated by the General Partners to another subsidiary of Highcross: Highcross Strategic Advisers Limited (the “Adviser”). The Adviser is led by the top four senior executives of Highcross (the “Principals”). The Adviser acts on behalf of the General Partners for the services it provides.

The General Partners are registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), with Highcross Strategic Partners LLC as the filing adviser, and Highcross Strategic Partners II LLC and Highcross Strategic Partners III LLC as the relying advisers. All information in this brochure relates to all three of the General Partners and the Adviser unless stated otherwise.

The General Partners’ only clients are the Funds which are exempt from the registration provisions of the Investment Company Act, and whose securities are exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”). The Funds seek Commitments from qualified investors. The Commitments include co-investments, which seek to align the General Partners’ interests with those of the investors.

The General Partners established an advisory committee (the “Advisory Committee”). The Advisory Committee reviews potential transactions (except for those stated in the Advisory Agreement) between the General Partners or the Adviser or their respective affiliates and the Funds; and addresses any potential conflicts of interest between the General Partners or the Adviser or their respective affiliates with the Funds and the Limited Partners.

Principal Owners

Highcross Strategic Partners LLC is principally owned by Stockford Limited. Stockford Limited and its subsidiaries operate as a diverse trading and investment group, focusing on

commercial property management, software, viticulture, hotel and digital entertainment. Stockford Limited is under the immediate and ultimate control of Sir Peter Michael CBE, the only director of the company. Highcross Strategic Partners II LLC is a wholly owned subsidiary of its ultimate parent company, New Mulberry Ltd which is 50.5% owned by Stockford Limited and 49.5% owned by the Principals. Highcross Strategic Partners III LLC is a wholly owned subsidiary of its ultimate parent company, Snelsmore Ltd which is also 50.5% owned by Stockford Limited and 49.5% owned by the Principals. The General Partners consider Sir Peter Michael CBE to be their ultimate controlling party.

Type of Advisory services

The Adviser, under delegation of the General Partners, provides broad strategic real estate advice and makes investment recommendations to the General Partners. The Adviser conducts its business at St Catherine's House, Oxford Square, Oxford Street, Newbury, United Kingdom RG14 1JQ. However, the Board meetings of the General Partners for all investment decision-making are held on a quarterly basis in the U.S.

The Adviser provides investment advice limited to real estate investments only, mainly direct real estate investments and in some cases private equity real estate investments, made through the limited partnerships. Please refer to Item 7 for further information on the types of clients to which the Adviser provides services.

Each Fund is governed by a limited partnership agreement (the "Partnership Agreement") that specifies the investment guidelines and investment restrictions applicable to the Fund. In addition, the private placement memorandum (the "Offering Memorandum") or other offering materials prepared for the investors of each Fund also contains information regarding the intended investment program for such Fund. The investment decisions, made by the General Partners, are consistent with the investment objectives and strategies described in the Offering Memorandum and with applicable law.

Investments may be tailored to the specific requirements of the clients (the Funds) as stated in the applicable Offering Memorandum, through the Advisory Agreement which generally incorporates the investment guidelines. Investment advice is provided directly to the General Partners for the investment decisions regarding the Funds by the Adviser and not individually to the Funds' investors. Investors may only impose restrictions on certain investments or certain types of investments in the limited cases as set out in the applicable Offering Memorandum.

Wrap fee programs

The General Partner does not participate in Wrap fee programs.

Assets Under Management

The General Partners in total managed \$670 million of client assets on a discretionary basis as of December 31st, 2011 and there are no non-discretionary assets under management.

Item 5: Fees and Compensation

Compensation for advisory services

The Adviser is entitled to compensation for its advisory services; the fee is subject to negotiations based upon the economic conditions of the real estate markets. The fee is billed separately on a quarterly basis to Funds, payable in advance. The Adviser will not be paid any acquisition, disposition, or financing fees with respect to the Funds' investments.

As compensation for the services to be provided under the Advisory Agreement, during the investment period, the Funds will pay to the Adviser an aggregate annual advisory fee equal to 1.5% of the total amount of Capital Commitments of the Fund's Limited Partners. Following the investment period, the amount on which the advisory fee is calculated will be the invested capital of the Limited Partners adjusted downward for any permanent write-downs. The advisory fee will commence as of the "Initial Closing Date" based on total Limited Partner Commitments, regardless of when a Limited Partner is actually admitted. The advisory fee payable for any partial quarter occurring immediately after the "Initial Closing Date" or immediately prior to dissolution and winding up of the Funds shall be prorated on a daily basis based upon the actual number of days elapsed in such partial quarter.

Other fees and expenses

Glidefern Property Management Limited ("Glidefern") is an affiliate of the General Partners and the Adviser. Pursuant to a real property management agreement with the property owning subsidiaries of the Funds, Glidefern will be engaged to perform real estate management services for the properties owned by the Funds. Glidefern is compensated for its services in the form of (i) management service fee; and (ii) development service fee, payable in arrears on a quarterly basis directly by the properties owning subsidiaries of the Funds. Glidefern will be paid 4.0% of rents collected annually, less amounts collected directly from the tenants of the properties under their respective leases and occupancy agreements in respect to property management fees, as compensation for real estate management services customarily performed by comparable U.K. real property management companies. Glidefern will also be paid 2.0% of hard construction costs by the Funds as compensation for any development services it may perform which are customarily performed by comparable U.K. property

development companies. This fee is only applicable to specific projects incurring significant development costs.

The Adviser and the General Partners will bear their ordinary day-to-day expenses incidental to the management of the properties owned by the Funds, including general overhead and compensation of the Adviser's employees.

The Funds, except as noted above, will bear all expenses related to their operations, including travel costs, fees and other out-of-pocket expenses of the Adviser directly related to the investigation of the Funds' investment opportunities (whether or not consummated), as well as the acquisition, ownership, financing and hedging or sale of its investments, taxes, fees of the U.K. Operator, auditors and counsel, expenses of the Advisory Committee, insurance, litigation expenses, expenses associated with the preparation and distribution of reports to investors and any extraordinary expenses.

Item 6: Performance-Based Fees and Side-by-side Management

The compensation of the General Partners or the Principals for their services includes a significant component of promoted interest. They will receive a portion of net proceeds from operations, sales or refinancings calculated on a "portfolio basis", which is equal to a percentage of the amounts otherwise distributed to the Partners.

The fact that the General Partners or the Principals are in part compensated based upon the performance of the pooled investment vehicles may create an incentive for the General Partners or the Adviser to make investments on behalf of the Funds that are riskier or more speculative than would be the case in absence of performance-based compensation arrangement. However, each Fund is managed in accordance with the investment objectives and strategies disclosed in the Fund's Offering Memorandum to help ensure that investors are aware of the investment strategies and the risks associated with the strategies.

The Funds are structured to align the General Partners' or the Principals' interests with those of the Funds and the Limited Partners. The General Partners or the Principals will not receive a promoted interest until the investors first achieve a pre-determined cumulative compounded annual return on their invested capital as stated on the applicable Offering Memorandum of each Fund. In addition, the Advisory Committee, independent of both the General Partner and the Adviser, is responsible for reviewing and resolving any potential conflict of interest that might arise between the General Partners and the Adviser, on the one hand, and the Funds and the Limited Partners, on the other hand.

Item 7: Types of Clients

The Adviser provides strategic advice and makes investment recommendations to the General Partners which sponsor the various Highcross Funds, operating as limited partnerships. The Funds (clients) are private real estate investment vehicles designed to (i) facilitate U.K. commercial real estate investments by tax-exempt investors and other investors; and (ii) make commercial real estate investments in the U.K. The Funds' Limited Partners include institutional investors, such as insurance companies, core property funds and private international investors.

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

The following is the summary of the investment strategies and methods of analysis employed by the Adviser to provide strategic advice and investment recommendations to the General Partners; and the material risks associated with the Funds. Investing in commercial real estate involves risk of loss that clients should be prepared to bear. Specific descriptions of such strategies and methods are included in the applicable Offering Memorandum of the Funds.

Methods of Analysis and Investment strategies

The Funds' investment strategy is to acquire underperforming primarily office and industrial properties located in regional markets that, through modest capital improvements, intensive management and aggressive tenant re-positioning, have the potential to generate a net leveraged annual IRR in excess of 20% (net of advisory fees and carried interest). Please note that it is 18% in other Funds sponsored by Highcross Strategic Partners II LLC and Highcross Strategic Partners III LLC. The Funds may engage in selected ground-up development projects where supply and demand fundamentals and the political climate support new construction. The Funds seek to obtain attractive returns by capitalizing on the Adviser's real estate expertise in the acquisition, financing, construction, refurbishment, marketing, property management and disposition aspects of property investments.

The Adviser will capitalize on the Principals' market expertise, proprietary origination and execution capabilities and operating experience to optimize its investment advice to the Funds. The Adviser will utilize a stringent due diligence and underwriting process developed by the Principals, which involves comprehensive property and market evaluations, financial analyses and projections and a detailed assessment of the opportunities to implement value-added initiatives.

Investment Origination: The Principals' over 30 years of industry experience in regional property markets throughout the U.K. is expected to facilitate strategic dialogues with a broad

range of contacts in the property sector. As a result, the Adviser can be highly selective when recommending investment opportunities to the Funds.

Market Selection: The Funds will target investments in regional markets experiencing a favorable imbalance between supply and demand. Supply concerns may include a scarcity of projects with existing planning permissions or significant regulatory constraints on new projects (e.g. limitations on the amount of developable land or extensive planning requirements that prevent land from being readily permitted). The Adviser believes that the Principals' experience in the regional U.K. markets will enable them to navigate the often difficult planning and regulatory environment and will enhance the ability of the Funds to maximize the value of investments in the U.K.

The Adviser will seek investment opportunities with relatively modest risk profiles that typically possess one or more of the investment criteria stated in the Funds' Offering Memorandum. Each investment will be reviewed at a preliminary stage by the Adviser to ensure that the resources of the Funds are directed toward projects that are expected to be feasible and profitable.

Material risks

Potential investors should be aware of the many potential risks inherent to investing in real estate. The General Partners' objective in risk management is to seek to identify potential risk, and to the extent possible, manage and mitigate (or avoid) to maximize performance and investors' risk adjusted return. The risks related to real investments described below should not be considered to be an exhaustive list of all risks which investors should consider. Investors in the Funds should refer to the applicable Offering Memorandum for additional risk factors and risk of loss.

General Risks: Real property investments are subject to varying degrees of risk. The yields available from equity investments in real estate depend on the amount of income generated and expenses incurred from such investments. Moreover, certain significant expenditures associated with each investment in real estate (such as mortgage payments, if any, real estate taxes, insurance and maintenance costs) are generally not reduced when circumstances cause a reduction in income from the investment. If the investments made by the Funds do not generate revenues sufficient to meet operating expenses, including debt service and capital expenditures, the Funds' cash flow and ability to make distributions to their investors will be adversely affected. The revenues and value of an investment made by the Funds may be adversely affected by a number of factors, including:

- changes in the international, national, and local economic climate;
- the perceptions of prospective tenants of the safety, convenience, and attractiveness of the markets in which investments are located;
- the financial condition of tenants, buyers and sellers of properties;

- the ability of the General Partners to provide adequate management, maintenance and insurance;
- competition from other real estate companies;
- overbuilding and extended vacancies of properties;
- increases in real estate tax rates (and other changes in tax laws) and other operating expenses;
- energy and supply shortages;
- planning or zoning laws and other governmental rules;
- environmental laws and regulations;
- environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems or as to which inadequate reserves had been established;
- condemnation and uninsurable losses;
- acts of God; and
- other factors beyond the control of the General Partners.

Risks Associated with Local Market Conditions: Although the Funds may make investments throughout the U.K., the Funds intend that their investments will be located primarily in regional markets outside of central London (the “Primary Markets”). The Funds intend to focus their investments in the Primary Markets because the General Partners believe that real estate assets in the Primary Markets will be available for purchase by the Funds at prices that the Funds consider favorable. The Funds’ strategy further relies, in part, upon market recoveries or continued improvements in the economic conditions in the Primary Markets during the term of the Funds. However, no assurance can be given that the real estate assets can be acquired at favorable prices or that the market for such assets will recover or continue to improve, as the case may be, since this will depend, in part, upon events and factors outside the control of the Funds. The risks that may affect conditions in the Primary Markets include the following:

- the local economic climate (which may be adversely affected by plant closings, industry slowdowns, decreases in government spending, and other factors);
- downturns in the industries concentrated in the markets in which investments are made;
- the local real estate conditions (such as an oversupply of office and industrial properties, or a reduced demand for such investments);
- the inability or unwillingness of tenants to pay rent increases; and
- technological or other changes that make the Funds’ properties less useful or attractive.

Moreover, although the Funds will consider the benefits of diversification in their investment decisions, the Funds will only acquire a limited number of investments, most, if not all, of which will be located in the Primary Markets. Consequently, local market and economic conditions adversely affecting any or a few of the investments could severely impact the aggregate return of the Funds.

Regulatory Risks: A voluntary code of practice has recently been introduced in England that is designed to provide choice and flexibility in the property market. It sets forth

recommendations for landlords and tenants when they negotiate leases for business premises. In particular, the voluntary code contains a recommendation that landlords be prepared to offer alternatives to the traditional upwards only rent reviews such as an upwards or downwards review or rents linked to inflation.

Risks Associated with Lack of Property Types: The property types for commercial real estate investment include office, hotel, industrial retail and multifamily apartment properties, among others. However, the Funds will be investing primarily within only a subset of the commercial property sector – the office and industrial sectors. Accordingly, the Funds will lack the benefits of diversifying in several property types. The Funds’ lack of diversification in their investments may materially adversely affect the Funds’ financial condition in the event of a downturn in the office or industrial property markets.

Speculative Nature of Investment: The investments to be made by the Funds are speculative in nature and the possibility of partial or total loss of capital will exist. Limited Partners should not subscribe to or invest in the Funds unless they can readily bear the consequences of such loss.

Competitive Industry: Investment in real estate is a highly competitive business and the acquisition of investments by the Funds may be based on competitive bidding. Moreover, other competitors for the acquisition and development of properties, including public property companies, insurance companies, pension funds, private partnerships, investment companies and real estate investment funds, may have greater economic and personnel resources than those of the Funds or better relationships with sellers of the targeted investments, lenders and others, thereby putting the Funds at a competitive disadvantage. These entities, because of their resources, may also generally be able to accept more risk than the Funds prudently can manage. This competition may generally reduce the number of suitable prospective investments offered to the Funds and increase the prices for properties of the type the Funds would likely pursue. As a result, the Funds may not be able, or have the opportunity, to make suitable investments on favorable terms, which could have an adverse effect on the Funds’ results of operations and hinder the Funds’ growth rate.

Investments are Illiquid Assets: Real estate can be difficult to sell, especially if local market conditions are poor. Illiquidity may also result from the absence of an established market for investments, as well as legal or contractual restrictions on resale of such investments by the Funds. This illiquidity will tend to limit the ability of the Funds to vary their portfolios promptly in response to changes in economic or other conditions, and limit near term cash flow available for distribution to their investors. No assurances can be given that the fair market value of any of the investments acquired by the Funds will not decrease during the term of the Funds.

Long Term Investment Commitment: An investment in the Funds requires a long term commitment of up to ten years (and for the period thereafter during which the Funds wind up their business and affairs), with no certainty of return or guarantee against loss. Some of the

investments will be highly illiquid, and there can be no assurance that the Funds will be able to realize such investments in a timely manner.

Investments Longer Than Term: The Funds may make investments with maturity dates later than the date on which the Funds will be dissolved, either by expiration of the Funds' terms or otherwise. The General Partners expect that investments will be disposed of prior to the Funds' dissolution or be suitable for in kind distribution at dissolution. There is the possibility, however, that the Funds may have to sell, distribute or otherwise dispose of investments at a loss of capital as a result of dissolution.

Risks Involved in Acquisitions through Partnerships and Joint Ventures: Instead of purchasing properties directly, the Funds may invest as a partner with respect to some investments. Partnership or joint venture investments may, under certain circumstances, involve risks not otherwise present, including the possibility that the Funds' partner might become bankrupt, that such partner might at any time have economic or other business interests or goals which are inconsistent with the business interests or goals of the Funds, and that such partner may be in a position to take action contrary to the instructions or the requests of the Funds or contrary to the Funds' policies or objectives.

Portfolio Acquisition Risks: The Funds may acquire multiple properties in a single transaction in order to reduce acquisition expenses and to enable the Funds to gain a critical mass of assets that provides operating leverage. However, portfolio acquisitions are more complex and expensive than single property acquisitions, and the risk that a multiple property acquisition will not close may be greater than in a single property acquisition. Portfolio acquisitions may also result in the Funds owning investments in geographically dispersed markets, placing additional demands on the Funds' ability to manage such operations. In addition, a seller may require that a group of properties be purchased as a package, even though one or more of the investments in the portfolio does not meet the Funds' investment criteria. If the Funds are unable to identify a partner to acquire the non-conforming properties, the Funds may be required to attempt to operate or dispose of these properties.

Risks of Substantial Leverage and Forfeiture on Default: All of the properties acquired by the Funds will be acquired or developed to some extent through borrowings, generally through the use of bank credit facilities, mortgage loans on real estate, and other borrowings. There are restrictions in the Funds' organizational documents, including the Partnership Agreements, which limit the amount of debt that the Funds may incur. If the Funds cannot satisfy their obligations under the debt instruments, then the unpaid amounts will promptly become due and, thus, the Funds may be required to forfeit the investment. Forfeiture of an investment upon an event of default under a debt instrument will likely decrease the proceeds from the sale of such investment upon foreclosure, thereby, decreasing the Funds' return on investment in that investment. If the Funds are unable to pay or refinance amounts when due, the properties could be forfeited and the Funds' ability to borrow in the future could be materially adversely affected. Also, if the cash flow and working capital of the Funds are not sufficient to fund its expenditures or service its debt, the Funds will have to raise additional

funds through the sale of Interests in the Funds, the incurrence of additional debt or the sale of investments. There is no assurance that any of such sources of funds would be available to the Funds or, if available, would be on terms that the Funds would find acceptable or favorable, or in amounts sufficient for the Funds to satisfy their obligation or fulfill their business objections.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the General Partners or the integrity of the Advisers' management. The General Partners have no information applicable to this Item.

Item 10: Other Financial Industry Activities and Affiliations

Other financial industry activities

Neither the General Partners nor any of their management persons is registered as a broker-dealer or a registered representative of a broker-dealer or is affiliated with any broker-dealer, bank or other financial services firm.

Neither the General Partners nor any of their management persons is registered as a registered futures commission merchant, commodity pool operator or commodity trading adviser.

Relationship with related person

The General Partners are affiliates with each other, the Adviser and Glidefern. The General Partners do not have any relationship or arrangement that is material to their advisory business or to the Funds because they sponsor different Funds, mutually exclusive from each other. The Adviser is responsible for providing strategic advice and making investment recommendations to the General Partners. Glidefern provides property management services to the property owning subsidiaries of the Funds. Information regarding the fees and compensation payable to the Adviser and Glidefern is disclosed in Item 5. The relationship with the Adviser might cause conflict of interest with the Funds as part of the compensation to the Adviser is performance-based; process to address conflicts of interest is discussed in Item 6.

Selection or Recommendation of Other Advisers

The General Partners do not recommend or select other third-party investment advisers for the Funds.

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

Code of Ethics

The General Partners and the Adviser have adopted a Code of Ethics to comply with SEC rule 204A-1 under the Investment Advisers Act of 1940. The Code sets forth procedures and limitations governing the business conduct and personal securities trading of persons associated with the General Partners. The Code is based upon the principle that employees of the General Partners and their affiliates own a fiduciary duty to clients to conduct their affairs, including their personal securities transactions, in such manner to avoid: (i) serving their own personal interests ahead of those of clients; (ii) taking inappropriate advantage of their position within the firm; and (iii) any actual and potential conflicts of interest or any abuse of their position of responsibilities. In addition, the Code also requires compliance with federal securities law.

The Code is distributed to each employee at commencement of employment or the effective date of the Code, whichever comes later; and written acknowledgement is required upon receipt. The Code is available on Highcross's intranet website; any subsequent amendments are made on the intranet and communicated to all employees.

The Code includes the following:

- Requirements related to confidentiality;
- Limitations on, and reporting of, gifts and entertainment;
- Pre-clearance and reporting of employee personal securities transactions;

All employees are required to report any violations of the Code promptly and to certify on an annual basis that they are in compliance with the Code.

A copy of the Code of Ethics is available upon request by contacting the Chief Compliance Officer, Mike Megan at +44 (0) 1635 521088.

Participation or Interest in Client Transactions and Personal Trading

Due to the nature of the Funds which has mostly direct real estate investments, the General Partners or a related person do not participate or have interest in client transactions except the

General Partners' and the Principals' interest in the Funds as part of the co-investment arrangements as explained under Item 4. The co-investments are to align the interests of the General Partners with those of the investors. The Advisory Committee reviews and resolves any potential conflicts of interest between the General Partners or the Adviser and the Funds. Personal trading is monitored under the Code of Ethics as mentioned earlier in this Item.

Item 12: Brokerage Practices

This Item requires registered investment advisers with brokerage practices to disclose factors of consideration in selecting and recommending broker-dealers for client transaction and determining the reasonableness of their compensation; also whether and under what conditions the purchase or sale of securities for various client accounts are aggregated.

In most circumstances, due to making direct real estate investments, the General Partners do not utilize broker-dealers to effect portfolio investments. These transactions are initiated by the Principals (i.e. through principal-to-principal or other limited-bid arrangements) instead of through a brokered, competitive process. However, in very limited circumstances of selling securities of the Funds where the General Partners do need to utilize a broker-dealer, the General Partners have the discretionary authority to determine the broker or dealer to be used. Commission rate to be paid is 1 – 1.5% for the general real estate fee to relevant real estate agents, and commission to broker-dealer is not paid separately.

The General Partners do not engage in soft dollar arrangements with respect to securities transactions for the Funds.

Item 13: Review of Accounts

Review of Clients Account

The General Partners and the Adviser monitor all portfolio investments on behalf of each client account on an ongoing basis. Investments are reviewed in the context of each account (i) adherence to the investment objectives and strategies described in the applicable Offering Memorandum and (ii) investment performance in meetings of the Board of Directors of the General Partners on a quarterly basis.

All investments recommended to the Funds will be subject to a phased due diligence and underwriting process conducted by the Adviser. Each investment will be reviewed at a

preliminary stage to ensure that the resources of the Funds are directed toward projects that are expected to be feasible and profitable, as mentioned under Item 8.

As part of the ongoing monitoring process, the Funds' asset management program is led by Helen Wright, one of the top four senior executives of Highcross, an over 20-year veteran with significant experience in the asset management of real estate investments. The asset management team includes six other team members who use each investment's business plan (prepared at underwriting and updated regularly) as a road map. The business plan, which details every unit and tenant, includes a plan activity for each element of the property.

Furthermore, the Adviser has developed a disciplined project management program to implement value-enhancement activities. Once a project has been completed, a review of the project is carried out with input from both the asset manager and the finance department in order to identify performance against budget, reasons for variances and improvements that could be made with respect to future projects.

Reports to Clients

The General Partners provide periodic reports to investors in pooled investment vehicles it manages. After the close of each fiscal year (31st December), the General Partners distribute to investors in written forms: (i) an annual report containing audited financial statements; (ii) a statement setting forth any distributions to the investors for the fiscal year; and (iii) a statement of any transactions between the Funds and any related entity. The General Partners also furnish to investors after close of each quarterly period, a written report containing: (i) an unaudited balance sheet; (ii) an unaudited income statement; (iii) an unaudited cash flow statement; and (iv) a progress report of the Funds' business and other relevant information regarding its business activities. Annual property valuations will be performed by qualified, external, independent professionals. Quarterly valuations will be conducted by the Adviser.

Interim and annual meetings with investors are held to review the Funds' performance and update investors regarding specific transactions. Investors will also be able to access the Funds' financial reports, including capital account information, on the Internet, via a sophisticated, password-protected Website.

Item 14: Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

The General Partners and their supervised persons do not receive any economic benefits, including sales awards and prizes, from non-clients in connection with providing investment advice or other advisory services to clients.

Third Party Compensation for Client Referrals

The General Partners compensate third party placement agents for the limited partner interests in the Funds according to the Partnership Agreements. The placement agent services include: (i) providing the General Partners with financial advice and assistance in connection with the Offering, which included assisting the General Partners and its counsel in preparing all preliminary and final Offering Memorandum and subscription documents; and (ii) working with the General Partners in identifying potential investors and used its best effort to assist in arranging sales of the partnership interests to investors. The compensation may include a non-refundable fixed fee and additional selling commission fees calculated as a percentage on all sales of partnership.

Item 15: Custody

This Item requires registered investment adviser to disclose information regarding account statements distribution when the registered investment adviser has custody of the Funds assets. The Partnership Agreements give the General Partners the legal ownership of or control of the Funds' assets. The General Partners distribute audited financial statements of the Funds prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") to investors no later than 90 days after the end of each fiscal year as per the Partnership Agreements.

Item 16: Investment Discretion

Subject to the investment objectives, policies and restrictions of the Funds, the General Partners have discretionary authority and power under the Partnership Agreements at the outset of establishing the Funds to take any action necessary or desirable to acquire, develop, construct, improve, maintain, own, hold, lend, operate, manage, lease, finance, mortgage, pledge, divide, combine, sell, transfer, convey, assign, grant options with respect to, dispose of or otherwise deal in and transact business with respect to investments (or any underlying assets). The Partnership Agreements may, however, place certain restrictions with regards to the allocation of equity in investments made by the Funds.

Item 17: Voting Client Securities

As a registered investment adviser, the General Partners is further required to describe (i) their proxy voting policies and procedures; (ii) whether (and, if so how) clients can direct voting in a particular solicitation; and (iii) how conflicts of interest between the General Partners and the Funds with respect to voting their securities are addressed.

In general, securities will be voted in consultation with the Adviser's advice and recommendations and following the due diligence and underwriting process including the approval by the Board of Directors of the General Partners and the Board of Directors of the Jersey Holding Company of the Funds. The Board of Directors of the Jersey Holding Company will vote securities in a manner they believe to be consistent with the best interest of the Funds and their investors. The Advisory Committee oversees the process of identification and resolution of any conflicts of interest between the Funds and the General Partners.

The above policies and procedures are stated on the Offering Memorandum of the Funds which investors of the Funds can obtain a copy upon request.

Item 18: Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosure about the General Partners' financial condition. The General Partners do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance; therefore, it does not need to include a balance sheet for the most recent fiscal year in this Item.

The General Partners have no financial commitment that impairs their ability to meet contractual and fiduciary commitments to clients and have not been the subject of a bankruptcy proceeding.

Item 19: Requirements for State-Registered Advisers

This Item requires response from investment advisers registering with one or more state securities authorities. As the General Partners are not registered with any state securities authorities, this Item is not applicable to the General Partners.