

**Item 1 – Cover Page**

**Form ADV Part 2A: FIRM BROCHURE**

**WHI REAL ESTATE PARTNERS L.P.**

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**January 1, 2016**

This Brochure provides information about the qualifications and business practices of WHI Real Estate Partners L.P. (“WHIREP” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at (312) 604-1942 or [bhannah@whirep.com](mailto:bhannah@whirep.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

WHIREP is a registered investment adviser with the SEC under the Investment Advisers Act of 1940. Registration of an investment adviser with the SEC does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

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

## **Item 2 – Material Changes**

This is WHI Real Estate Partners L.P. (“WHIREP”) initial brochure (“Brochure”) filing with the SEC, thus there are no material changes to report.

Pursuant to SEC rules, WHIREP provides a summary of material changes to its Brochure within 120 days of the close of WHIREP’s fiscal year. WHIREP may provide further disclosures about material changes as deemed necessary. Additionally, WHIREP will provide to clients a new Brochure as necessary, without charge. WHIREP’s Brochure may be requested by contacting Bradley Hannah, Chief Compliance Officer, at (312) 794-7908 or bhannah@whirep.com.

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## Item 4 – Advisory Business

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

WHI Real Estate Partners L.P. (“WHIREP” or the “Firm”) is a Chicago-based boutique real estate investment adviser. WHIREP pursues commercial and residential real estate investments throughout the United States by taking a creative and highly proactive approach to investment sourcing, structuring, research, negotiation, asset management and investment realization. The Firm operates with the highest standards of integrity and ethical behavior, seeking to minimize conflicts, maximize alignment of interests, and build long-term relationships with a select group of investors. WHIREP’s predecessor was formed in January 2010 as a division of William Harris Investors, Inc. (“WHI”) through the acquisition by WHI of key assets and operations of Landrock Capital LLC (“Landrock”), a real estate private equity firm founded by David Rosenbaum in 2007. WHIREP became an independent company in January 2016 and concurrently registered as an independent investment advisory firm.

Since 2008, WHIREP and its predecessor entities have operated four commingled real estate private funds (along with certain parallel funds) and two co-investment vehicles, each of which has invested in mid-sized real estate transactions throughout the United States. For more information and a list of all private funds and co-investment vehicles, see ADV Part 1 Schedule 7.B.(1). Each investment fund and other investment vehicles managed by WHIREP or its affiliates is referred to herein as a “Fund”.

The following general partners or other related entities are affiliated with WHIREP and are deemed to be relying advisers with the authority to make investment decisions on behalf of each applicable Fund: BRP Fund I GP LLC (the General Partner of BRP Fund I, L.P. (“BRP Fund I”)), Brownfield Renaissance Partners LLC (the sole member of BRP Fund I GP LLC), WHIREP I GP LLC (the General Partner of WHI Real Estate Partners I, L.P. and WHI Real Estate Partners I-F, L.P. (together, “WHIREP I”)), WHIREP II GP LLC (the General Partner of WHI Real Estate Partners II, L.P., WHI Real Estate Partners II-TE, L.P. and WHI Real Estate Partners II-PF, L.P. (together, “WHIREP II”)) and WHIREP III GP LLC (the General Partner of WHI Real Estate Partners III, L.P., WHI Real Estate Partners III-TE, L.P. and WHI Real Estate Partners III-PF, L.P. (together, “WHIREP III”)), (collectively “General Partners”).

WHIREP is owned and governed by the members of the Board of Directors of its General Partner (the members of which are David Rosenbaum, James Orth, Brad Beelaert, and Bradley Hannah), and controlled by David Rosenbaum and James Orth.

**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.**

WHIREP's objective is to achieve superior risk-adjusted returns through investment in real estate and real estate-related assets primarily located in the United States. WHIREP endeavors to generate top-tier investment performance by taking a creative and highly proactive approach to investment sourcing, structuring, analysis, negotiation, asset management and investment realization. The Firm attempts to proactively source and acquire assets at attractive prices; implement asset repositioning, redevelopment and cash-flow optimization programs; and exit primarily through sales to buyers seeking stabilized properties. WHIREP focuses primarily on opportunities in the middle market that typically require less than \$30 million of invested equity capital. WHIREP typically avoids seeking returns through the use of excessive leverage or financial engineering and endeavors generally to employ modest leverage, at levels which it believes can enhance returns without adding undue risk. The firm makes its investments both through joint ventures with independent, third-party operating partners and on a direct basis.

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

WHIREP does not tailor its advisory services to the individual needs of investors in its Funds; WHIREP's investment advice and authority for each Fund is tailored to the investment objectives of that Fund. These objectives are described in the private placement memorandum, limited partnership agreement and other governing documents of each Fund (collectively, "Governing Documents").

Each Fund's Governing Documents may contain provisions restricting that Fund from investing in certain investments or types of investments, but investors in such Funds cannot impose restrictions on investing in certain investments or types of investments. Investors in Funds participate in the overall investment program for the applicable partnership, but may be excused from a particular investment due to legal, regulatory or other applicable constraints, pursuant to the terms of the applicable Governing Documents.

WHIREP may enter into side letters with or similar written agreements with investors that have the effect of establishing rights under or altering or supplementing a Fund's Governing Documents.

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

WHIREP does not participate in wrap fee programs.

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

As of January 1, 2016, WHIREP has regulatory assets under management of \$522,697,945, all managed on a discretionary basis, calculated as of September 30, 2015.

## **Item 5 – Fees and Compensation**

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

WHIREP receives a management fee (and, in certain cases, a fund administration fee) and its affiliated General Partners are allocated carried interest as compensation for providing investment advisory services to the Funds. The following is a general description of fees, compensation and expenses of the Funds. Differences exist from Fund to Fund, and certain Funds may not charge certain fees, compensation or expenses that other Funds charge. In addition, the General Partner of each relevant Fund may, in its sole discretion, waive or reduce a limited partner’s management or performance fee. Each Fund’s Governing Documents describe fees, compensation and expenses in greater detail.

### **Management Fees**

WHIREP charges each Fund a management fee (the “Management Fee”) that is typically payable quarterly, in advance. The Management Fee charged to each Fund is specified in the Governing Documents of each Fund. Generally, as described in the relevant Fund’s Governing Documents, Management Fees are initially calculated based upon each limited partner’s committed capital for the period of time during which each Fund is making investments; thereafter, the Management Fee will generally be equal to a percentage of each limited partner’s invested capital. For more specific information on the Management Fees for each Fund, please refer to the relevant Fund’s Governing Documents. Management Fees typically do not exceed 2.0% per annum of committed capital or invested capital, as applicable.

## **Fund Administration Fees**

For certain Funds, WHIREP may charge investors a fund administration fee (“Fund Administration Fee”), which typically will not exceed 0.50% per annum of such investors’ capital commitments, in accordance with such Funds’ Governing Documents. Fund Administration Fees are typically charged only to investors making capital commitments below \$5.0 million, but this threshold may be reduced or the fee reduced or waived at WHIREP’s discretion. For more specific information on the Fund Administration Fees for each Fund, please refer to the relevant Fund’s Governing Documents.

## **Carried Interest**

As described below in Item 6, each Fund General Partner generally is entitled to be allocated carried interest (“Carried Interest”) with respect to the Funds, which is typically equal to 20% of all realized profits in excess of a 9% compounded preferred return. Each Fund’s Carried Interest arrangement may differ, and each calculation is further described in the relevant Fund’s Governing Documents.

## **Other Information**

The precise amount of, and the manner and calculation of, the Management Fees and Fund Administration Fees for each Fund is established by the Firm and is set forth in such Fund’s Governing Documents received by each investor prior to investment in such Fund. The fee structures described above may be modified from time to time; however, once the relevant Fund has been established and commenced operations, such compensation is generally not changed. Fees may differ from one Fund to another, as well as among investors in the same Fund. Funds launched on or after January 1, 2016 may pay a financing fee as described below in Section C of this Item 5. In addition to the fees described herein, WHIREP and its affiliates may be reimbursed for certain actual, out-of-pocket expenses incurred on behalf of the Funds, as set forth in each relevant Fund’s Governing Documents and as described below in the section captioned “Fund Expenses” in Section C of this Item 5.

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

The Management Fee is generally payable quarterly in advance by each Fund, and the General Partner may draw down the limited partners’ capital commitments to pay the Management Fee. The Management Fee may also be allocated against items of distributable cash in a manner reasonably determined by a General Partner, and a General Partner may withhold from any distribution or

cause the applicable Fund to borrow amounts necessary to pay any Management Fees. The Management Fee will generally begin to accrue as of the initial closing date, regardless of whether a limited partner is admitted on the initial closing date or at a subsequent closing.

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

Any acquisition, disposition, financing, origination or other transaction fee paid by the Fund or its direct or indirect subsidiaries to the General Partner, WHIREP or their respective affiliates generally will be fully credited against Management Fees, in accordance with each Fund's Governing Documents. In the event that the General Partner, WHIREP or their respective affiliates receive any such fees from a third party relating to the Fund's investments, such fees will either be paid to the relevant Fund or credited against Management Fees (in either case net of any related unreimbursed expenses incurred by the General Partner, WHIREP or their respective affiliates). Notwithstanding the forgoing, Funds launched on or after January 1, 2016 may pay to WHIREP or an affiliate a financing fee ("Financing Fee") for services rendered by WHIREP or its affiliates in arranging debt financing for investments consummated by such Funds, in accordance with the Governing Documents of such Funds. Such Financing Fees typically will not exceed 1.0% of the maximum principal amount of the debt financing arranged, and will typically be reduced by the amount, if any, of fees paid by the relevant Fund to any third-party financing broker involved in arranging debt financing for the same investment. In addition to the Management Fee and Carried Interest payable to the General Partner, each Fund bears certain other expenses as described in more detail below.

With respect to WHIREP III, each limited partner whose aggregate capital commitment, together with the aggregate capital commitments of its affiliates, is less than \$5.0 million, shall pay to the General Partner an annual Fund Administration Fee equal to 0.20% of such limited partner's capital commitment, subject to the General Partner's right to reduce or waive such fee in its sole discretion. Such fee is paid directly by each limited partner, and is not deducted from the limited partner's capital commitment or capital account (but may be withheld by the WHIREP III General Partner from amounts otherwise distributable by WHIREP III to such limited partner).

In the regular course of making investments, WHIREP enters into joint venture agreements with independent, third-party operating partners. These agreements are negotiated at arm's length and on an investment-by-investment basis. Each Fund indirectly bears its pro rata share of any third-party expenses incurred as a result of these joint venture structures through its proportionate ownership share of the investment.



## **General Partner and Investment Manager Expenses**

WHIREP or the relevant General Partner will pay the costs and expenses incurred by WHIREP in providing for its and the General Partner's normal operating overhead, including salaries of WHIREP's employees, rent and other expenses incurred in maintaining WHIREP's place of business, but not including Fund organizational expenses, Fund operating expenses or other Fund-related costs and expenses.

## **Fund Expenses**

The Funds will bear (whether by paying directly or by reimbursing WHIREP or its affiliates for actual out-of-pocket costs) all Fund-related expenses, including, but not limited to, fees and expenses (including, without limitation, travel expenses) relating to: (a) consummated investments, prospective but unconsummated investments, temporary investments and preliminary investigation of investments, including the identification, evaluation, pursuit and acquisition, holding, leasing and disposition thereof, all initial and ongoing legal, consulting, accounting, investment research (including, without limitation, database costs), financial advisory, risk management, site design, planning and development, public finance, property management, architectural design, project accounting, environmental, engineering and appraisal services in connection therewith and insurance premiums and risk transfer or assumption fees related thereto, to the extent that the Fund is not reimbursed therefor, and any similar or related fees and expenses; (b) principal, interest on and fees and expenses related to or arising from any financing or indebtedness or hedging activities of the Fund, including fees and costs relating to the arranging thereof (including, without limitation, any Financing Fees payable to WHIREP or its affiliates as permitted by the relevant Fund's Governing Documents); (c) sales, leasing and brokerage commissions, development fees, loan servicing fees, custodial expenses and other costs incurred in connection with investments; (d) premiums for insurance protecting the Fund and any covered persons from errors and omissions and from other liabilities to limited partners or third parties in connection with Fund affairs, including directors' and officers' liability or other insurance, litigation and indemnification expenses; (e) legal, custodial, fund administration, bookkeeping, accounting and auditing expenses, including expenses associated with the preparation of a Fund's, any feeder fund's, any parallel feeder fund's, any alternative investment vehicle's, any Carried Interest beneficiary entity's and all Fund subsidiaries' investor reports, financial statements, tax returns and schedule K-1s; (f) auditing, banking and consulting expenses; (g) expenses related to any parallel fund or feeder fund or related to organizing entities through or in which investments may be made, including alternative investment vehicles and REIT subsidiaries; (h) costs and expenses that are classified as extraordinary expenses under generally accepted accounting principles; (i) taxes and other governmental charges, fees and duties payable by a Fund, any feeder fund, any parallel feeder fund, any alternative investment vehicle and all subsidiaries of a Fund; (j) damages and indemnification costs and expenses; (k) costs (including, without limitation, travel costs) of reporting to the limited partners and of meetings, if any, with or of the limited

partners and the advisory committee; (l) costs of winding up and liquidating a Fund, any feeder fund, any parallel feeder fund and any alternative investment vehicle; (m) all other customary expenses of a Fund; and (n) amounts to be contributed or advanced to any investment or subsidiary of a Fund or any alternative investment vehicle for the purpose of such entity or investment paying any cost of the type described in the foregoing clauses (a) through (m) (“Fund Expenses”). Any amounts paid by a Fund for, or resulting from, any instrument or other arrangement designed to hedge or reduce one or more risks associated with an investment, to the extent permitted by the relevant Fund Governing Documents, will be considered a Fund Expense relating to such investment.

### **Organizational Expenses**

The Funds will bear (whether by paying directly or by reimbursing WHIREP or its affiliates for actual out-of-pocket costs) all legal, accounting, filing and other organizational and offering expenses (including, without limitation, travel expenses and printing costs) incurred in the formation of the Funds, the General Partners, any feeder funds, any parallel feeder funds, any alternative investment vehicles, the Carried Interest beneficiary and all subsidiaries of the Funds (but typically excluding any fees payable to placement agents or finders, except any fees payable to placement agents in connection with the offering of securities by any REIT subsidiary to satisfy the 100 shareholder test) (the “Organizational Expenses”). For WHIREP III, the Fund will bear Organizational Expenses up to an amount not to exceed \$1.0 million, and Organizational Expenses in excess of \$1.0 million will be paid by the Fund and offset against the Management Fee. For WHIREP I and WHIREP II, the Funds will bear Organizational Expenses up to an amount not to exceed 1.0% of total capital commitments, and Organizational Expenses in excess of 1.0% of total capital commitments will be offset against each fund’s Management Fee.

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

The Management Fee is typically payable quarterly in advance, and the General Partner may draw down the limited partners’ capital commitments to pay the Management Fee. The Management Fee may also be allocated against items of distributable cash in a manner reasonably determined by the relevant General Partner, and such General Partner may withhold from any distribution or borrow amounts necessary to pay any Management Fees. The Management Fee generally will begin to accrue as of the initial closing date, regardless of whether a limited partner is admitted on the initial closing date or at a subsequent closing. Each Fund’s advisory contract with WHIREP may be terminated as set forth in such Fund’s Governing Documents.

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

Neither WHIREP nor any supervised person accepts compensation for the sale of securities or other products.

## 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.**

Each Fund's relevant General Partner earns a performance fee or Carried Interest based on the profits of each Fund that is deducted from the investment proceeds of the limited partners. Generally, the relevant General Partner of each Fund receives Carried Interest of 20% of the profits of a Fund in excess of a 9% compounded preferred return; however, the Carried Interest arrangement of each Fund differs as specified in the relevant Governing Documents. Each Fund's Governing Documents include further detail concerning the Carried Interest calculation. These performance fee arrangements have been structured subject to Section 205(a)(1) of the Investment Advisers Act of 1940 in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. The General Partner of each Fund may, in its sole discretion, waive or reduce the amount of Carried Interest for a limited partner in a Fund.

The fact that each General Partner's Carried Interest allocations are based on the performance of the Fund may create incentive for a General Partner to make investments that are more speculative than would be the case in the absence of such distributions. This incentive is mitigated, however, due to the fact that any losses the Funds sustain will reduce each General Partner's Carried Interest distribution and the fact that Carried Interest is generally calculated at the "fund level," only after limited partners have received as distributions 100% of their capital contributions plus a preferred return.

WHIREP may manage multiple Funds with similar investment strategies on a side-by side basis. As a result of the foregoing, WHIREP and/or the General Partners may have conflicts of interest in: (i) allocating their time and activity among the multiple Funds; (ii) allocating investments among the multiple Funds; and (iii) effecting transactions among the multiple Funds, including ones in which WHIREP and/or the General Partners may have a greater financial interest. These conflicts of interest may create an incentive for WHIREP to favor a Fund in which it and/or a General Partner have a greater financial interest with respect to allocation of time and activity, limited investment opportunities, or investments that WHIREP regards as more attractive or better performing.

To address these conflicts of interest, the Firm has implemented policies and procedures to ensure that all Funds receive equitable and fair treatment over time with respect to the allocation of investment opportunities. These policies and procedures, along with each Fund's Governing Documents, require WHIREP to at all times allocate investments among the Funds in a manner which it believes to be fair and equitable and prohibit WHIREP from basing an allocation decision on any of the following, or similar, reasons: (i) to generate higher fees paid by one Fund over another, or to produce greater fees to WHIREP or any of its affiliates; (ii) to develop a relationship with an existing or potential investor; (iii) to compensate an investor for past services or benefits rendered to WHIREP or any employee of WHIREP; or (iv) to induce future services or benefits to be rendered to WHIREP or any employee of WHIREP.

## **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.**

WHIREP provides investment advice to the Funds. Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. Identifying details about the Funds may be found in Item 4, above, as well as in WHIREP's Form ADV Part 1, Section 7.B.(1), "Private Fund Reporting".

The limited partners participating in the Funds may include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates, foundations or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of WHIREP and its affiliates. The Funds generally require minimum investment amounts varying from \$1.0 million to \$5.0 million for limited partner investment, although the General Partners reserve the right to accept commitments under such minimum amounts in their sole discretion. Limited partners in the Funds must meet certain suitability and net worth qualifications prior to making an investment in the Funds. Depending on the structure of each Fund, limited partners must be either: (i) "accredited investors" as defined under Regulation D of the Securities Act of 1933, as amended, or (ii) either "qualified purchasers" or "knowledgeable employees" as defined under the Investment Company Act of 1940, as amended.

WHIREP also may serve as investment manager for co-investment vehicles that may invest in certain Fund portfolio investments, and may serve as investment manager for other investors in

certain Fund portfolio investments. Subject to any restrictions set forth in a Fund's Governing Documents, (i) WHIREP may select the investors that are permitted to co-invest in a particular portfolio investment in its sole discretion based on various factors, including those that may be specified from time to time in its policies on investment allocation and co-investments and/or in the Funds' Governing Documents; (ii) while one or more limited partners in the Funds may be invited to co-invest in the Fund's portfolio investments, in WHIREP's sole discretion any or all of any co-investment opportunity may be offered to investors that are not limited partners in one or more of the Funds; (iii) WHIREP may, in its sole discretion, offer co-investment opportunities to some limited partners in its Funds while not offering them to other limited partners in its Funds; (iv) opportunities may be offered to investors that are not limited partners in one or more Funds; (v) WHIREP may cause some Fund limited partners and/or other co-investors to bear a Management Fee and/or Carried Interest arrangement while not imposing a Management Fee and/or Carried Interest arrangement (or imposing a different Management Fee or Carried Interest arrangement) on other Fund limited partners and/or other co-investors; (vi) in WHIREP's sole discretion, some Funds, co-investment vehicles and/or co-investors may bear all or a portion of certain expenses (e.g., legal and other expenses associated with a portfolio investment), while other Funds, co-investment vehicles and/or co-investors do not share in such expenses; and (vii) in certain cases, co-investment opportunities may include opportunities to make an investment at a time when there is not a corresponding Fund investment or on different terms than any Fund investment.

Subject to any restrictions set forth in a Fund's Governing Documents, opportunities to invest in a portfolio investment may be made available to any person or entity, including without limitation strategic investors, lenders, deal sources, other private equity or venture capital firms, Fund limited partners, and/or other persons or entities affiliated, associated or otherwise known to WHIREP or its personnel and unrelated third parties. These may arise whenever WHIREP has the opportunity for an investment and determines that all or a portion of the applicable opportunity is not required to be offered to, or is not appropriate for, a Fund. Such determinations are based on the provisions of the applicable Funds' Governing Documents and such other factors as WHIREP may consider in its sole discretion, including those that may be specified from time to time in its policies on investment allocation and co-investments.

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

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

WHIREP is a value-based investor. The Firm intends to achieve attractive, risk-adjusted returns by employing its real estate, structuring and capital markets expertise to add value through highly

proactive investment sourcing, property repositioning (e.g., leasing, redevelopment, rehabilitation, rebranding, etc.) and asset management, while maintaining a focus on capital preservation and downside protection. A key element of WHIREP's investment strategy involves maximizing control and flexibility, which it believes will help mitigate the potential effects of shocks to the financial markets, interest rate environment and asset values broadly. WHIREP's investment team seeks to further mitigate risk through careful and moderate use of leverage.

WHIREP capitalizes upon its deep network of relationships to proactively source investments in the middle market, typically requiring between \$5 million and \$30 million in equity that provide opportunities for value enhancement. WHIREP believes that there are generally more value-add acquisition opportunities in this segment as compared to the market for larger assets due to inefficiencies stemming from less professional property management, a higher prevalence of non-institutional sellers and fewer sophisticated institutional buyers focused on non-stabilized middle market assets. WHIREP believes these dynamics create significantly less competition, less transparency and a greater number of opportunities to source investments off-market and/or in limited competition scenarios.

WHIREP's investment approach focuses on the following key elements:

- *Mispriced Real Estate.* WHIREP believes that significant value can be realized through the thoughtful acquisition of mispriced real estate. WHIREP intends to acquire under-managed, under-capitalized and/or misunderstood real estate assets at attractive pricing relative to intrinsic value. Mispricing, in WHIREP's view, can arise from situations involving properties that suffer from significant vacancy with owners who lack adequate capital to fund tenant improvements and leasing commissions; misunderstood assets; development projects that have lost financing and stalled mid-construction; sellers motivated by factors other than pure price maximization (e.g., changes to the seller's investment or business strategy; certainty of closing; speed and dependability of execution); and situations of inadvertent ownership by non-traditional owners, lenders and/or loan servicers.
- *Measureable Value-Add Opportunities.* WHIREP often seeks opportunities where it can measurably add value through one or more of the following: (i) repositioning, rebranding and/or rehabilitation of non-stabilized assets; (ii) resolving complex financial structure or ownership issues which obscure underlying value; and (iii) capitalizing on unique market or asset knowledge on the part of WHIREP and/or its operating partners to source acquisitions off-market and on favorable terms.
- *Strong Operating Partners.* WHIREP typically engages with a relatively small number of potential operating partners who bring specific market and/or sector expertise, have a relevant track record of success, and who value WHIREP's sophistication, diligence and

value creation capabilities. Partnering with local experts enables WHIREP to be opportunistic, flexible, and to diversify across many markets, sectors and themes. WHIREP believes that the quality, financial alignment and depth of its partner relationships is as important to generating consistent risk-adjusted returns as is achieving low acquisition pricing or executing a well-founded plan for its portfolio investments. In choosing its operating partners, WHIREP typically seeks to cultivate deep relationships with like-minded real estate specialists who share a similar investment approach and risk tolerance, and with whom WHIREP can create strong alignment of interests in its joint ventures. WHIREP typically favors this approach over engaging with a broad range of partners who provide relatively undifferentiated deal flow, or who view WHIREP as a commodity source of capital. WHIREP may also consummate real estate investments that do not involve operating partners.

- *Downside Protection.* WHIREP carefully evaluates the risks associated with each potential portfolio investment throughout all stages of the investment process. WHIREP's emphasis on risk management begins with comprehensive due diligence to identify the risks associated with the transaction. WHIREP mitigates risks by aggressively negotiating the Fund's entry basis, employing creative structures, taking an appropriate capital-structure position and employing leverage cautiously. WHIREP believes that the use of leverage can be an important tool in real estate investing under certain circumstances but avoids excessive leverage, cognizant of the challenges its use can present to downside protection when plans fail to materialize as expected. WHIREP is also aware of the potential for market shocks that may result from geopolitical events, government dysfunction, or other macro events to adversely impact the real estate market and consequently employs an overall conservative approach to investing.

Investing in securities (including the Funds) involves risk of loss that clients should be prepared to bear. WHIREP endeavors to minimize risk of loss through the use of the strategies described above and other risk-mitigation techniques, but these strategies and techniques will not be effective in mitigating all losses.

**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.**

Fund investors should refer to their respective Governing Documents for a more detailed discussion of risks. The following highlights outline some of the more general risks to an investment with WHIREP.



- *Lack of Operating History.* Although the initial predecessor to WHIREP was formed in 2007 and the immediate predecessor was formed in 2010, the Firm is now operating independently and has no operating history as an independent investment manager. No assurances can be given that any Fund will be profitable or that any particular rate of return will be achieved.
- *Risk of Unspecified Investments.* Funds are generally formed without any investments under contract or letter of intent. Consequently, there is often no information as to the nature and terms of particular investments that a prospective investor can evaluate when determining whether to invest in a Fund, and limited partners will not generally have an opportunity to evaluate for themselves, or to approve, the Fund's investments. Limited partners must rely solely on each Fund's General Partner with respect to the selection, amount, character, risk profile and economic merits of each potential investment and the evaluation of the experience and capabilities of a Fund's joint venture partners or borrowers, where applicable.
- *Investments in Real Estate Generally:* Each Fund's investments will be subject to the risks inherent in ownership and development of real estate, including risks associated with changes in the general economic climate, changes in the overall real estate market, local real estate conditions, the financial condition of buyers and sellers of properties, supply of or demand for competing properties in an area, accelerated construction activity, technological innovations that alter space requirements, the availability of financing, changes in interest rates, competition based on sale prices, energy and supply shortages, various uninsured and uninsurable risks and government regulations.
- *Financial Condition of Tenants:* Adverse changes in the operation of any property, or the financial condition of any tenant, could have an adverse effect on a Fund's ability to collect rent payments and, accordingly, on its ability to make required debt service payments or to make distributions to its investors. At any time, a tenant may seek the protection of applicable bankruptcy or insolvency laws, which could result in the rejection and termination of such tenant's lease or other adverse consequences and thereby adversely affect a Fund's ability to make required debt service payments or cause a reduction in distributions to a Fund's limited partners. No assurance can be given that tenants will not file for bankruptcy protection in the future, or, if they do, that their leases will continue in effect.
- *Availability of Suitable Investments.* The identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. There can be no assurance that WHIREP or the General Partners will be able to identify and complete investments that meet the Funds' investment objectives or that WHIREP or the General Partners will be able fully to invest a Fund's available capital commitments. Furthermore, WHIREP and the

General Partners may encounter competition in connection with their selection of investments from other investors, some of which may have greater financial and other resources and more extensive experience than WHIREP and the General Partners. There can be no assurance that there will be a sufficient number of suitable investments available for the Funds or that the investments made by the Funds will generate the targeted rate of return on invested capital.

- *Diversification of Risk.* Subject to the restrictions, if any, set forth in each applicable Fund's Governing Documents, the Funds may participate in a limited number of investments and a Fund's investments may not be widely diversified. As a consequence, a Fund's aggregate rate of return may be substantially adversely affected by the unfavorable performance of even a single investment. The ability of a Fund to diversify the risks of making investments will depend upon a variety of factors, including the size, characteristics, type and class of the real property acquired or developed and the number and quality of developers and operators in need of financing. The Funds may not be able to make investments that would provide a desired level of diversification.
- *Failure to Meet Targeted Returns.* The Funds will make investments based upon the projected rates of return estimated by the relevant General Partner, which in turn will be based upon numerous assumptions and estimates, including projections of future resale values, rental rates and growth rates in the applicable market, and the costs of development, redevelopment and/or operation of each applicable investment opportunity, all of which are inherently uncertain and difficult to project. The actual performance of each of the Funds' investments may differ from the targeted returns and such differences could be material. There can be no assurance that the actual rates of return achieved by the Funds will equal or exceed the targeted or projected returns to investors in the Fund.
- *Speculative Nature of Investments.* The investments to be made by the Funds are speculative in nature and the possibility of partial or total loss of capital will exist. Prospective investors should not subscribe to or invest in the Funds unless they can readily bear the consequences of such loss.
- *Leverage.* Subject to the restrictions, if any, set forth in each applicable Fund's Governing Documents, the Funds (and their subsidiaries) may employ leverage in connection with their operations and investments. Such leverage may be recourse to the Funds. The use of leverage involves a high degree of financial risk and may increase the exposure of the Funds or its investments to factors such as rising interest rates, downturns in the economy or deterioration in the condition of the investments. Principal and interest payments on any indebtedness of the Funds would have to be made when they become due and payable regardless of whether sufficient cash is available. If such capital is not available, the Funds'

default in paying such principal and interest could result in foreclosure of any security instrument securing the debt, the complete loss of a Fund's capital invested in the particular investment and recourse by the lender to a Fund's other assets. Because a Fund may engage in portfolio financings where several investments are cross-collateralized, multiple investments may be subject to the risk of loss. As a result, a Fund could lose its interests in performing investments in the event such investments are cross-collateralized with poorly performing or nonperforming investments. If typical financing for real estate investments is not available, a Fund's inability to obtain debt financing for some of its investments may reduce its financing options, increase its financing costs and reduce its investments returns.

- *Third Party Involvement.* The Funds may co-invest with third parties through joint ventures. Those investments may involve risks not present in other types of investments, such as the possibility that the other party(ies) may become bankrupt or have economic or business interests or goals inconsistent with those of the Funds. Actions taken by those persons may subject the investments to liabilities in excess of or other than those contemplated by the Funds. It may also be more difficult for the Funds to sell the interests in those investments. If control over an investment is shared with another person, deadlocks could result which could delay the execution of the business plan for the investments, require the Funds to engage in a buy-sell of the venture with the co-venturer or partner or conduct the forced sale of such investment or otherwise adversely affect the investment's returns or value. As a result, the Funds may be unable to fully realize their expected return on any such investments. In addition, in certain circumstances the Funds may be liable for actions of their co-venturers or partners.

Although the General Partners will monitor the performance of all of the investments, it may in some cases be primarily the responsibility of each Fund's joint venture partners or third-party managers to manage the assets on a day-to-day basis. The Funds' results of operations, including their ability to make payments on any indebtedness, may depend in large part on the ability of these parties to operate the investments on economically favorable terms. There can be no assurance that the management teams of the Funds' joint venture partners or third-party management firms employed by the Funds will be able to operate the applicable investments successfully. Moreover, the risks of dependence on joint venture partners and third-party management firms differ by property type and by investment stage.

- *Controlling Person Liability.* The Funds are generally expected to hold title to their investments through wholly-owned limited liability companies or through joint ventures in which the Funds have a controlling interest. The exercise of control over an entity can impose additional risks of liability for environmental damage, failure to supervise management, violation of government regulations (including securities laws) or other types of liability in

which the limited liability characteristic of business ownership may be ignored by courts or government entities. If these liabilities were to arise, the Funds may suffer a significant loss.

- *Investment in Non-Income Producing Properties.* The Funds' investments may include vacant land, vacant buildings or other non-income producing properties that are acquired for redevelopment or held for capital appreciation. Such properties are inherently more risky than properties that are or readily can be leased to tenants to produce current income.
- *Multi-Step Acquisitions.* In the event the Funds choose to effect a transaction by means of a multi-step acquisition, there can be no assurance that the remainder can be successfully acquired. This could result in the Funds having only partial control over the investments or partial access to its cash flow to service debt incurred in connection with the acquisition.
- *Lack of Liquidity.* Investments in real estate or interests in real estate are highly illiquid and subject to industry cycles, downturns in demand, market disruptions and the lack of available capital from potential lenders or investors (whether for the financing or refinancing of investments or for potential purchasers of the investments). Accordingly, there can be no assurance that the Funds will be able to dispose of their investments in a timely manner and/or on favorable terms.
- *Risks Upon Disposition of Investments.* In connection with the disposition of an investment, the Funds may be subject to various contingent liabilities. For example, the Funds may be required to make representations about the business, financial affairs and other aspects (such as environmental, property, tax, insurance and litigation) of such investments typical of those made in connection with the sale of a business. The Funds may also be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate, as well as to indemnify the purchasers, subsequent owners or occupants and others for certain matters without regard to breaches of representations and warranties. These arrangements may result in the incurrence of contingent liabilities for which the General Partner may establish reserves or escrows. In addition, limited partners may be required to return amounts distributed to them to fund obligations or liabilities that arise from the sale or other disposition of investments or indemnity obligations (and potentially without regard to their unfunded capital commitments).
- *Competitive Business; Construction Delays; Fluctuating Demand.* Some investments may involve development activities, and due to the long lead-time between the inception of a development project and its completion, even a well-conceived project may, as a result of changes in real estate market, economic and other conditions prior to its completion (including as a result of the construction of competing projects), become an economically unattractive investment. In addition, real estate development involves the risk that

construction may not be completed within budget or on schedule because of delays in receipt of zoning and other regulatory approvals, cost overruns, unforeseen construction difficulties, work stoppages, shortages of building materials and/or labor, fluctuating prices and supply of building materials and/or labor, the inability of contractors to perform their obligations under construction contracts, defects in plans and specifications, unanticipated weather, natural disasters or other factors. Any delay in completing a project may result in increased interest and construction cost, the potential loss of purchasers or tenants, increased competition from other projects and the possibility of defaults under project financings, other debt instrument or various contractual obligations.

- *Environmental Risk.* The Funds may be exposed to risk of loss arising from investments involving undisclosed or unknown environmental, health or occupational safety matters, or inadequate reserves, allowances, contingencies, insurance or insurance proceeds for such matters that have been previously identified. In addition, the owner or operator of contaminated real property is subject to a wide range of federal, state, local and foreign environmental, health and safety laws, ordinances and regulations, including without limitation, those relating to the investigation, removal and remediation of past or present releases of hazardous or toxic substances. Such laws may impose joint and several liability, which can result in a party being obligated to pay for greater than its share, or even all, of the liability involved. Such liability may also be imposed without regard to whether the owner or operator knew of, or caused, the presence or release of such substances. As an owner (and, if a Fund were determined to be an operator, as an operator) of contaminated or potentially contaminated real estate, a Fund could be exposed to third-party claims, including without limitation, property damage, personal injury and natural resource damage claims by adjoining or nearby landowners or residents, by individuals alleging exposure to hazardous substances on or migrating from contaminated property, or by regulatory agencies. In addition, despite sound environmental assessment efforts, it can be difficult to fully understand subsurface conditions at a site and significant contamination may not be discovered until after the site is developed. Also, the enactment of new environmental laws or regulations or changes in existing laws or regulations (or in their enforcement or interpretation) could adversely affect a Fund's investments.
- *Uncertainty of Projections.* WHIREP's recommendation and/or a General Partner's determination to make a particular investment will be based on a variety of estimates and projections, including projections regarding construction costs, market prices and disposition timing and proceeds, all of which are inherently uncertain. To the extent that the actual outcome of any such matters (as well as any matter relevant to such determination by WHIREP or a General Partner) differs from that assumed by WHIREP or a General Partner, actual returns to limited partners could be materially affected and could be materially lower than those projected by WHIREP or such General Partner. In addition,

WHIREP or a General Partner may adjust targeted returns to reflect any changes in market conditions.

- *Impact of Unfavorable Real Estate Market Conditions on Debt Investments.* In certain cases, the Funds may make investments in debt instruments, typically secured by interests in real estate. The Funds are at risk of defaults on such debt investments caused by many conditions beyond their control, including local and other economic conditions affecting real estate values and interest rate levels. In addition to the risks of borrower defaults (including loss of principal and nonpayment of interest) and the risks associated with real estate investments generally, real-estate related debt investments are subject to a variety of risks, including the risks of illiquidity, lack of control, mismanagement or decline in value of collateral, contested foreclosures, bankruptcy of the debtor, claims for lender liability, violations of usury laws and the imposition of common law or statutory restrictions on the exercise of contractual remedies for defaults applicable to such investments. The Funds cannot know whether the value of the property securing a debt investment will remain at the levels existing on the date of origination of such debt investment. If the value of an underlying property declines, a Fund's risk will increase and the value of a Fund's debt investments may decrease.
- *Risks of Lending Against Non-Income Producing Properties.* Certain of the Funds' debt investments may be secured by vacant land or by other properties that do not produce current income. Such debt investments are generally riskier than debt investments secured by income-producing properties.
- *Delays in Liquidating Defaulted Loans.* If there are defaults under debt investments made by the Funds, the Funds may not be able to repossess and quickly sell the properties securing such debt investments. The resulting time delay could reduce the value of a Fund's position in the defaulted debt investments. An action to foreclose on a property securing a loan is regulated by various state statutes and rules and is subject to the delays and expenses of any lawsuit brought in connection with the foreclosure if the defendant raises defenses or counterclaims. In the event of default by a mortgagor, these restrictions, among other things, may impede a Fund's ability to foreclose on or sell the mortgaged property or to obtain proceeds sufficient to repay all amounts due to a Fund.
- *Foreclosure Risk.* If the Funds acquire a property by foreclosure following default under a debt investment, or otherwise acquires a property securing a debt investment, the Funds could then have the same economic and liability risks as the owner of that property. The Funds will typically acquire debt investments through special purpose vehicles to mitigate certain of these risks, though not all such risks can be mitigated through the use of special purpose vehicles. Finally, the Funds may become the owner of a property that secures a

mortgage to a third-party, if a Fund forecloses on its collateral and the Fund's debt investment was not secured by a perfected first mortgage lien or equivalent security interest.

- *Lender Liability.* Lenders who have inappropriately exercised control over the management and policies of a debtor may have their claims subordinated or disallowed in a bankruptcy or other insolvency proceeding, or may be found liable for damages suffered by borrowers or other parties as a result of such actions. In addition, under certain circumstances, payments to the Funds and distributions by the Funds to the limited partners may be required to be returned if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.
- *Varying Collateral Risks.* Debt investments made by the Funds may not be secured by a mortgage, but may instead be secured by partnership interests or other collateral that may provide weaker security than a mortgage. In any case, in the event of default, a Fund's source of repayment will generally be limited to the value of the collateral and may be subordinate to other lienholders, as the Funds may not receive recourse guarantees from creditworthy parties under its debt investments. The collateral value of an underlying property may be less than the outstanding amount of a Fund's investment. In cases in which a Fund's collateral consists of partnership or similar interests, a Fund's rights and level of security may be less than if it held a mortgage loan.
- *Mezzanine and other Subordinate Loan Investments Involve Greater Risks of Loss than Senior Loans Secured by Income-Producing Real Properties.* Certain debt investments may be in the form of mezzanine or other subordinate loans. Mezzanine and other subordinate loans involve a higher degree of risk than senior mortgage loans, because the investment may become unsecured or the value of the investment may otherwise be impaired as a result of foreclosure by the senior lender. In the event of a bankruptcy of an entity providing the pledge of its ownership interests as security, a Fund may not have full recourse to the assets of the entity, or the assets of the entity may not be sufficient to satisfy the mezzanine or other subordinate loan. If a borrower defaults on a Fund's mezzanine or other subordinate loan or debt senior to such loan, or in the event of a borrower bankruptcy, that Fund's mezzanine or other subordinate loan will be satisfied only after the senior debt. As a result, a Fund may not recover some or all of its investment.

**C. 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.**

For information regarding the types of securities in which Funds invest, please see Item 4.B and Item 8.A, above.

## **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.**

There are no legal or disciplinary events that are material to an evaluation of WHIREP's advisory services or the integrity of management.

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

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

WHIREP is not actively engaged in a business other than providing investment advice to its Funds. Neither WHIREP nor any of its management persons are registered or have an application pending to register as a broker-dealer or associated person of a broker-dealer.

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

Neither WHIREP nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing.



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

- 1. Broker-dealer, municipal securities dealer, or government securities dealer or broker**
- 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)**
- 3. Other investment adviser or financial planner**
- 4. Futures commission merchant, commodity pool operator, or commodity trading advisor**
- 5. Banking or thrift institution**
- 6. Accountant or accounting firm**
- 7. Lawyer or law firm**
- 8. Insurance company or agency**
- 9. Pension consultant**
- 10. Real estate broker or dealer**
- 11. Sponsor or syndicator of limited partnerships.**

As disclosed in Item 4 above, WHIREP is affiliated with the following relying advisers: BRP Fund I GP LLC, Brownfield Renaissance Partners LLC, WHIREP I GP LLC, WHIREP II GP LLC and WHIREP III GP LLC, and with each Fund as to which these entities serve as General Partner or sole member. These General Partners and related entities are deemed registered with the SEC under the Advisers Act pursuant to WHIREP’s registration. These affiliated investment advisers operate as a single advisory business together with WHIREP and serve as General Partners and related entities of private investment Funds and other pooled vehicles, and may share common owners, officers, partners, employees, consultants or persons occupying similar positions.

WHIREP has no arrangement with a related person who is a broker-dealer, municipal securities dealer, government securities dealer or broker, investment company (other than the Funds), financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that sponsors or syndicates limited partnerships (other than its own General Partners as noted above) that are material to its advisory services or its investors.

WHIREP does have an arrangement with another investment adviser, William Harris Investors, Inc., an SEC registered investment adviser and WHIREP’s prior parent company. WHI has

retained an economic interest in WHIREP through a revenue-sharing arrangement, and WHIREP has engaged WHI to perform certain back office functions for WHIREP, including information technology services, mail room and receptionist service and review of WHIREP's third party administrator. Additionally, WHI currently provides office space to WHIREP and has made available to WHIREP a working capital loan facility.

WHIREP has and will continue to develop relationships with professionals who provide services that WHIREP does not provide, including, but not limited to: legal; accounting; banking; tax preparation; insurance brokerage; investment management services; and other professional and personal services. None of the above relationships, however, create a material conflict of interest with any of the Funds or limited partners, except that certain of such professionals may charge fees to WHIREP or certain affiliates which may be lower than the fees that such professionals charge to other WHIREP affiliates (including the Funds), and which may be lower than the fees such professionals might have charged if such professionals were not also providing services to (or did not believe that they might have future opportunities to provide services to) other WHIREP affiliates (including the Funds).

From time to time, WHIREP may receive training, research, information, promotional material, meals, gifts, or prize drawings from vendors and others with whom it may do business or to whom it may make referrals. At no time will WHIREP accept any benefits, gifts, or other arrangements that are conditioned on directing individual client transactions to a specific security, product, or provider. Similarly, the personnel of WHIREP and/or its affiliates may speak at conferences and programs for potential investors. Through such capital introduction events, prospective investors have the opportunity to meet with WHIREP.

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

WHIREP does not recommend or select other investment advisers for the Funds.

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

**A. 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.**

### **Code of Ethics**

WHIREP has adopted a written Code of Ethics (the “Code”), which sets forth standards of conduct that are expected of WHIREP principals and employees as well as addresses conflicts that may arise from personal trading.

WHIREP’s Code covers standards of business conduct, prohibited business practices, personal trading requirements, reporting of personal securities transactions, insider trading, and restrictions on accepting and giving significant gifts and reporting of certain gifts and business entertainment items, among other things. The Code also includes a prohibition on insider trading and outlines strict policies that dictate how any material, non-public information is treated.

WHIREP expects that any instances of principals or employees having access to material non-public information regarding publicly-traded securities will be rare. Regardless, the Firm’s Code requires personnel to report their personal securities transactions and comply with the policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information. At least once a year, each WHIREP covered person is required to acknowledge their receipt and understanding of the Code and agree to be bound by it.

Principals and employees of WHIREP who violate the Code may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, suspension or dismissal. Employees are also required to promptly report any violations of the Code of which they become aware.

WHIREP will provide a copy of its Code of Ethics to any existing or prospective investor upon request to Bradley Hannah, the Chief Compliance Officer, at (312) 794-7908 or at [bhannah@whirep.com](mailto:bhannah@whirep.com).

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

### **Participation or Interest in Client Transactions**

Principals and employees of WHIREP and its affiliates may directly or indirectly own an interest in the Funds, including certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles may invest in one or more of the same portfolio investments as the Funds.

### **Conflicts of Interest**

WHIREP's Code requires Firm principals and employees to place the interests of clients first, and on an annual basis each principal and employee must certify that he or she has read and understands the Code and has complied with its provisions. If any matter arises that WHIREP determines in its good faith constitutes an actual conflict of interest, WHIREP may take such actions as may be necessary or appropriate, within the context of any applicable Fund's Governing Documents, to address the conflict.

The Governing Documents for each Fund include a description of what WHIREP believes to be the most significant conflicts of interest associated with an investment in such Fund. Investors should carefully consider the conflicts of interest herein as well as those outlined in each applicable Fund's Governing Documents prior to investing in a Fund.

In certain cases, a WHIREP Fund may have an advisory board which is established under the respective Fund's Governing Documents. If applicable, each Fund's advisory board is comprised of select limited partners of that Fund. A conflict of interest may exist in that not all limited partners are asked to join a Fund's advisory board.

Each Fund's investors include persons or entities resident in various jurisdictions (including the United States and other countries), and with varying status under the tax laws and regulations of the United States, various states and other jurisdictions (including, for example, individuals, corporations, foundations, endowments, pension funds, other non-profit organizations, and sovereign wealth funds) who may have conflicting investment, tax and other interests with respect to their investments. The conflicting interests of various investors may relate to or arise from, among other things, the nature or location of investments made by each Fund, the structuring of the acquisition of portfolio investments and the timing of the disposition of investments. Such structuring of portfolio investments may result in different after-tax returns being realized by different limited partners and other investors. As a consequence, conflicts of interest may arise in

connection with decisions made by WHIREP that may be more beneficial for one investor than another investor, especially with respect to investors' particular tax situations. WHIREP generally considers the investment and tax objectives of each Fund as a whole, and not the individual investment, tax or other objectives of any particular investor.

From time to time, WHIREP may be presented with investment opportunities that would be suitable for more than one of the Funds. In determining which Funds should participate in such investment opportunities, WHIREP and its affiliates are subject to conflicts of interest among the investors. WHIREP attempts to resolve these conflicts of interest in light of its obligations to investors and attempts to allocate investment opportunities among investors in a fair and equitable manner as described under Item 7, in WHIREP's policies on investment allocation and co-investments, and in the Governing Documents of each Fund. Where necessary, WHIREP may consult with and/or receive consent to conflicts from the requisite percentage interest of investors in or an advisory board consisting of investors in the applicable Funds.

Principals and employees of WHIREP and its affiliates may directly or indirectly own an interest in the Funds, including certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles may invest in one or more of the same investments as the Funds. Such transactions also may include trading in securities in a manner that differs from or is inconsistent with the advice given to the Funds.

If any matter arises that WHIREP determines in its good faith constitutes an actual conflict of interest, WHIREP may take such actions as may be necessary or appropriate, within the context of the applicable Funds' Governing Documents, to ameliorate the conflict.

Affiliates of each Fund's General Partner exercise investment discretion over accounts of certain persons and entities expected to become limited partners, which limited partners are expected to initially represent a majority in interest of all limited partners. In this capacity, it is expected that affiliates of the General Partners will direct the voting of such limited partners on all matters eligible to be brought for a vote of the limited partners pursuant to the terms of the Governing Documents of each Fund. With effective control, initially, over the voting rights of a majority in interest of the limited partners, the relevant General Partner and/or its affiliates will have control for at least some period of time over decisions requiring the vote of a majority in interest of the limited partners, including, without limitation (i) amendments to the relevant Fund's Governing Documents; and (ii) approval of certain related-party transactions. Affiliates of the General Partners exercising control over the voting rights of any limited partner have a fiduciary obligation to vote in a manner that such affiliates believe best serves the interests of such limited partner, whether or not such vote is in the best interest of the Fund, any other limited partner, or the General Partner or its affiliates.

**C. 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.**

### **Personal Trading**

Subject to the terms of the Governing Documents of each Fund, the principals and employees of WHIREP may carry on investment activities for their own account and for family members, friends, or others who do not invest in the Funds, and may give advice and recommend securities to vehicles, which may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar.

WHIREP employees are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information regarding these securities or communicating material non-public information to others. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client-eligible investments. A restricted list is maintained regarding issuers about which WHIREP has material non-public information. Pre-clearance is also required for certain personal securities transactions, including initial public offerings and certain limited offerings. In addition, supervised persons are required to submit annual reports of security transactions for their own accounts or any account in which they have a direct or indirect beneficial interest.

In rare cases, WHIREP may provide employees with access to material nonpublic ("insider") information. WHIREP's Code includes a prohibition on insider trading and outlines strict policies that dictate how any such information is treated.

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

Please refer to Items 11.A, 11.B and 11.C.

## Item 12 – Brokerage Practices

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

WHIREP focuses on private real estate investments and typically purchases and sells such investments through privately-negotiated transactions. Therefore, WHIREP does not typically select, recommend or utilize broker-dealers for client transactions.

If WHIREP transacts in publicly-traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect such securities transactions. In such event, WHIREP will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, WHIREP may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; (iv) gross compensation paid to the broker; and (v) the financial strength of the broker.

In addition, WHIREP may receive ancillary benefits from real estate or commercial mortgage brokers used for the Funds' non-securities transactions, such as the purchase, sale or financing of real estate property. Such benefits may include research services, introductions to sellers, buyers, lenders and other service providers, underwriting services, and such other services typically provided by real estate brokers to their clients. WHIREP does not select real estate or commercial mortgage brokers based on the potential to receive any ancillary benefits and does not cause any Fund to pay a higher commission than those charged by other real estate brokers in return for these benefits.

- 1. *Research and Other Soft Dollar Benefits.* If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create.**
  - a. Explain that when you use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.**
  - b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your clients' interest in receiving most favorable execution.**
  - c. If you may cause clients to pay commissions (or markups or markdowns) higher**

than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.

- d. Disclose whether you use soft dollar benefits to service all of your clients' accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.
- e. Describe the types of products and services you or any of your related persons acquired with client brokerage commissions (or markups or markdowns) within your last fiscal year.
- f. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.

WHIREP does not receive research or other soft dollar benefits in connection with securities transactions for the Funds.

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

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

WHIREP does not receive client referrals in connection with selecting or recommending broker-dealers for the Funds.

**3. Directed Brokerage.**

- a. If you routinely recommend, request or require that a client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their clients to direct brokerage. If you and the broker-dealer are affiliates or have



another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.

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

WHIREP does not engage in directed brokerage arrangements.

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

WHIREP does not aggregate the purchase or sale of securities for client accounts.

### **Item 13 – Review of Accounts**

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

WHIREP's team of investment professionals closely monitors the operations and performance of its investments, and maintains ongoing oversight. In particular, WHIREP regularly reviews the following information about its investments: market conditions and forecasts, general economic conditions and forecasts, comparable transactions for both sales and leasing, market news and events, re-forecasted cash flow projections and budgets, property revenues and expenses, loan requirements and covenants, and insurance and physical exposure. Further, WHIREP engages in frequent conversations with market participants and operating partners. The Firm also closely monitors and tracks the cash position of each investment.

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

The Chief Compliance Officer reviews the accounts of the Funds on a quarterly basis and periodically checks to confirm that each Fund is maintained in accordance with its stated business objectives. The Chief Compliance Officer would perform additional reviews in the event that an investment needed subsequent financing, in the event of a potential acquisition, disposition or other liquidity event, or if there were a serious performance issue.

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

WHIREP generally will provide to its limited partners for each Fund: (i) audited financial statements annually, commencing with the first year in which it is in operation or has substantial operations; (ii) unaudited financial statements for the first three quarters of each fiscal year; (iii) annual tax information necessary for each partner's U.S. tax returns; (iv) descriptive investment information for each investment quarterly; (v) as of the end of each quarter, a capital account statement summarizing the position of each limited partner; and (vi) a quarterly letter outlining recent notable activity. All reports are generally sent to limited partners via an online portal. Upon request, certain investors may receive additional information and reporting that other investors may not receive.

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

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

No one who is not a client provides an economic benefit for providing investment advice or other advisory services to WHIREP Clients.

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

From time to time, WHIREP may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees and expenses payable to any such persons typically will be borne by WHIREP either directly or indirectly through an offset against the Management Fee, as set forth in the applicable Fund's Governing Documents. Any solicitor retained by WHIREP will be registered as a broker-dealer to the extent required by law or regulation.

### **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.**

The Investment Advisers Act of 1940 Rule 206(4) (the "Custody Rule") requires that pooled investment vehicles advised by WHIREP either undergo an annual audit pursuant to generally accepted accounting principles ("GAAP") or be subject to a surprise custody examination by an SEC-registered auditing firm. WHIREP is deemed to have custody over client funds because of the ability of the General Partners to deduct fees from the applicable Funds' assets. The Firm has elected to undergo an annual GAAP financial statement audit for each of its Funds over which it may be deemed to maintain custody. The WHIREP Funds are audited annually and WHIREP delivers to the Funds and their limited partners a copy of the annual audited financial statements within 120 days of the fiscal year end.

WHIREP does not, however, take physical possession of client funds or securities; securities are held by the Firm's qualified custodians and called capital is directly sent or wired into the respective Fund's bank account. WHIREP receives monthly statements regarding its custody and bank accounts.

## **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).**

WHIREP is typically retained by the Funds on a fully discretionary basis and is authorized to determine and direct execution of transactions pursuant to the terms of each Fund's Governing Documents. The terms upon which WHIREP serves as an investment manager are established at the time each investor retains WHIREP as their investment manager. WHIREP is not required to contact an investor prior to transacting any business once such investor executes these documents. Investment advice is provided directly to the Funds and not to investors in the Funds individually. WHIREP has discretionary authority based on the Governing Documents to buy and sell securities and other investments on behalf of the Funds.

To invest in a Fund, a limited partner must execute a subscription agreement with such Fund. A limited partner in the Fund may seek to impose limitations on WHIREP's authority through a side letter agreement and the Firm may choose to accept such limitations or restrictions at its discretion. All limitations and restrictions placed upon a limited partner's investment must be presented to WHIREP in writing and agreed to by all parties.

## **Item 17 – Voting Client Securities**

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

By virtue of the Funds' Governing Documents, WHIREP has the authority to vote client proxy statements on behalf of its Funds. WHIREP believes that very few, if any "proxies", will be received by the Firm, and that any such proxies that are received will be written shareholder consents or similar instruments for joint ventures or other private investment entities. WHIREP's proxy policy seeks to ensure that the Firm vote proxies in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. WHIREP generally believe their interests are aligned with those of the Fund's investors through the principals' beneficial ownership interests in the Funds and therefore will not seek investor approval or direction when voting

proxies. In the event that there is or may be a conflict of interest in voting proxies, WHIREP's proxy policy provides that the Firm may address the conflict using several alternatives, including by seeking the approval or concurrence of an advisory committee on the proposed proxy vote, or through other alternatives set forth in WHIREP's proxy policy.

Clients may obtain a copy of WHIREP's complete proxy voting policy upon request, free of charge, from WHIREP's Chief Compliance Officer, Bradley Hannah, at (312) 794-7908. Clients may also obtain information from the Firm, free of charge, about how WHIREP voted any previous proxies.

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

This item is not applicable to WHIREP.

## **Item 18 – Financial Information**

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

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

This item is not applicable to WHIREP.

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

WHIREP does not require prepayment of more than \$1,200 in fees per client, six months or more in advance or have any other events requiring disclosure under this item of the Brochure.

**C. 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.**

WHIREP has not been the subject of a bankruptcy proceeding at any time during the past ten years.