

JBG/Fund IX Manager, L.L.C.

Form ADV, Part 2A Brochure

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March 10, 2017

This Brochure provides information about the qualifications and business practices of JBG/Fund IX Manager, L.L.C. and the related advisers that are relying on the registration of JBG/Fund IX Manager, L.L.C. If you have any questions about the contents of this Brochure, please contact us at (240) 333-3600 or visit our website at www.jbg.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about JBG/Fund IX Manager, L.L.C. also is available on the SEC’s website at www.adviserinfo.sec.gov.

This Brochure refers to each of JBG/Fund IX Manager, L.L.C. and the related advisers that are relying on the registration of JBG/Fund IX Manager, L.L.C. as a “registered investment adviser” and as being “registered” with the SEC. Registration with the SEC as an investment adviser does not imply that any such adviser possesses a certain level of skill or training.

Item 2 – Material Changes

This Form ADV Brochure (this “Brochure”) forms part of JBG/Fund IX Manager, L.L.C.’s first Form ADV filing with the SEC. Form ADV is the primary disclosure document prepared by registered investment advisers. In the future, this section will address only “material changes” since JBG/Fund IX Manager, L.L.C.’s previous filing. JBG/Fund IX Manager, L.L.C. and the related advisers that are relying on the registration of JBG/Fund IX Manager, L.L.C. will deliver to clients at no charge a summary of all material changes to this Brochure, if any, within 120 days of our fiscal year end or more often if necessary.

Clients or prospective clients of JBG/Fund IX Manager, L.L.C. may request a copy of the current Brochure at any time by contacting us at (240) 333-3600. Following registration, additional information about JBG/Fund IX Manager, L.L.C. will be available on the Investment Adviser Public Disclosure (“IAPD”) website at www.adviserinfo.sec.gov.

IMPORTANT NOTE ABOUT THIS BROCHURE

This Brochure is not:

- ◆ ***An offer or agreement to provide advisory services to any person;***
- ◆ ***An offer to sell interests or a solicitation of an offer to buy interests in any JBG Fund advised by the JBG Managers (each as defined in this disclosure); or***
- ◆ ***A complete discussion of the features, risks or conflicts associated with any JBG Fund advised by the JBG Managers.***

As required by the Investment Advisers Act of 1940, as amended (the “Advisers Act”), the JBG Managers provide this Brochure to clients. The JBG Managers may also, in their discretion, provide this Brochure to current investors in the JBG Funds.

Although this Brochure describes the investment advisory services of the JBG Managers, persons who receive this Brochure should be aware that it is designed solely to provide information about the JBG Managers as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure does not contain all disclosures contained in offering memoranda that have been prepared for offering of interests in the JBG Funds or other periodic reports provided to investors in the JBG Funds. The JBG Funds do not anticipate offering additional interests, nor do the JBG Managers contemplate that they will create any additional funds in the future. No representation is made that this Brochure contains the information necessary to make an informed decision to invest in interests in any JBG Fund, including but not limited to any interest that might be offered in a secondary transaction by any current direct or indirect investor in a JBG Fund.

Item 3 – Table of Contents

	<u>Page</u>
Item 1 – Cover Page.....	i
Item 2 – Material Changes.....	ii
Important Note About this Brochure.....	iii
Item 3 – Table of Contents.....	4
Item 4 – Advisory Business	5
Item 5 – Fees and Compensation	8
Item 6 – Performance-Based Fees and Side-By-Side Management	10
Item 7 – Types of Clients.....	11
Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss	12
Item 9 – Disciplinary Information	16
Item 10 – Other Financial Industry Activities and Affiliations	17
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	18
Item 12 – Brokerage Practices	20
Item 13 – Review of Accounts.....	21
Item 14 – Client Referrals and Other Compensation.....	22
Item 15 – Custody	23
Item 16 – Investment Discretion.....	24
Item 17 – Voting Client Securities.....	25
Item 18 – Financial Information	26

Item 4 – Advisory Business

JBG/Fund IX Manager, L.L.C. (the “Manager”) serves as managing member of JBG Investment Fund IX, L.L.C. (“Fund IX”). Certain affiliates of the Manager¹ (each, a “JBG Manager” and collectively with the Manager, the “JBG Managers”) serve as managing members of other similar real estate funds sponsored by The JBG Companies.² In accordance with SEC staff guidance, these entities are relying on the registration of the Manager and operate, together with the Manager, under a single compliance system and a single code of ethics. Further information concerning the JBG Managers, the real estate funds managed by them (each, a “JBG Fund” and collectively the “JBG Funds”) and the investment programs pursued by the JBG Funds is set forth below.

The JBG Funds invest in office, multifamily, retail and hotel properties principally in the Washington, D.C. metropolitan area. The JBG Companies have been involved in real estate development in the Washington, D.C. metropolitan area since 1960 and historically has been a privately-owned real estate enterprise that raised capital from institutional and high net worth individual investors to fund its development activities.

The JBG Managers’ services include identifying, structuring, and making real estate investments, performing regular valuations of the JBG Funds’ portfolio investments, preparing reports for the investors in the JBG Funds, and effecting the disposition of the JBG Funds’ investments. These activities are performed directly by each JBG Manager in its capacity as managing member of the respective JBG Fund.

The investment objectives and guidelines of the JBG Funds and any investment limitations are provided in each JBG Fund’s formation documents. Any restrictions on the securities or types of securities in which a JBG Manager may invest on behalf of a JBG Fund are set forth only in the fund formation documents, and the JBG Funds do not otherwise have the ability to impose such restrictions on the JBG Managers. As such, the services provided by each JBG Manager to the JBG Fund for which it acts as managing member are individually tailored to the needs and investment objectives of such JBG Fund, which is the sole client of the applicable JBG Manager. Investment advice is not based on the investment objectives of any particular JBG Fund investor.

¹ These managers are JBG/Fund VII Manager, L.L.C., JBG/Fund VIII Manager, L.L.C., and JBG/Company Manager IV, L.L.C., which serve as the managing members of the JBG Funds identified in the table below in this Item 4.

² Established in 1960, The JBG Companies® is a trade name under which a group of affiliated entities (collectively, “The JBG Companies”) is engaged in real estate investment, development, leasing, and property management predominantly in the Washington, D.C. Standard Metropolitan Statistical Area (“SMSA”).

Certain JBG Funds have established tax qualified real estate investment trusts into which JBG Fund capital is invested, in order to provide JBG Fund investors their economic returns in the form of REIT distributions rather than allocations and distributions of partnership income and gain. In order to achieve this tax objective, these REITs sold de minimus amounts of preferred shares to at least 100 investors in each instance. Preferred shareholders of the REITs formed by these JBG Funds are not clients of any JBG Manager, and investment advice is not based on the individual objectives of such preferred shareholders.

On October 31, 2016, Vornado Realty Trust (“Vornado”) and The JBG Companies announced a proposed transaction (the “Transaction”) in which the Washington, D.C. area properties owned by Vornado would be contributed to a newly formed real estate investment trust to be named JBG SMITH Properties (“JBG SMITH”) and spun off to Vornado stockholders in a tax-free transaction. Simultaneously, the JBG Funds and certain other entities managed by other JBG entities will contribute a substantial number of properties currently owned by them to JBG SMITH in exchange for equity interests in JBG SMITH, which will in turn be distributed to the equity holders of the JBG Funds and these other entities. Certain principals of the JBG Managers will become the senior management team of JBG SMITH. JBG SMITH will continue the real estate development and management business historically conducted by The JBG Companies, but does not expect that it will organize other private funds similar to the JBG Funds.

In connection with the Transaction, the JBG Funds and certain other limited partnerships (or their equivalents) that are sponsored by The JBG Companies but are not pooled investment vehicles will continue to hold properties or interests in properties that, under the terms of the Transaction, will not be contributed to JBG SMITH (the “Excluded Properties”). The Excluded Properties consist of properties that were determined not to be consistent with the long-term investment strategy of JBG SMITH, either because they are asset types that JBG SMITH did not intend to focus on going forward or because they are located in markets that will not be core markets for JBG SMITH going forward or because they are not served by the D.C. Metro system. These assets are expected to be sold over time as their respective business plans are completed, and the proceeds distributed to JBG Fund investors in accordance with the applicable JBG Fund agreements.

The Excluded Properties that will continue to be held by the respective JBG Funds, and for which the JBG Managers will continue to serve as managing members of the JBG Funds, will continue to pursue the investment objectives of the JBG Funds. It is anticipated that i) the JBG Managers will not organize any additional JBG Funds in the future, ii) the JBG Funds will not make any new material investments, and iii) the JBG Funds will be liquidated over time as their assets are sold. These factors reduce the likelihood that the activities of JBG SMITH will conflict with the activities of the JBG Funds, and the JBG Fund documents have mechanisms in place, including in the case of JBG Fund VII, JBG Fund VIII, and JBG Fund IX, the members’ advisory committee process, to address, consider and pass on potential conflicts of interest.

In connection with the Transaction and in light of the fact that members of management of JBG SMITH will also be managing the ongoing activities of the JBG Funds and that certain employees of JBG SMITH will be providing investment management services to the JBG Funds that will continue to hold certain of the Excluded Properties, the transaction parties determined that it would be prudent for the JBG Managers to register under the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

The following table sets forth certain information about the JBG Managers, the JBG Funds advised by them, and the estimated total amount of regulatory assets under management as of December 31, 2016.

JBG Manager	JBG Fund Advised by the JBG Manager	Total Regulatory Assets Under Management¹ (\$ in thousands)
JBG/Fund VII Manager, L.L.C.	JBG Investment Fund VII, L.L.C.	\$691,586
JBG/Fund VIII Manager, L.L.C.	JBG Investment Fund VIII, L.L.C.	\$670,556
JBG/Fund IX Manager, L.L.C.	JBG Investment Fund IX, L.L.C.	\$685,006
JBG/Company Manager IV, L.L.C.	JBG/Urban Direct Member, L.L.C.	\$447,567

¹ This calculation includes unfunded capital commitments.

The principal owners of the Manager are Michael Glosserman, Brian Coulter, Robert Stewart, W. Matthew Kelly and James Iker, each of whom is a member of the Executive Committee of The JBG Companies and each of whom (with the exception of Mr. Glosserman) will become part of the executive management team of JBG SMITH. Mr. Glosserman will serve as a director of JBG SMITH. Entities that have accepted capital contributions from other members of The JBG Companies’ management team and from external, individual investors that have been long-standing JBG Fund investors are also significant owners of the Manager and are described in Form ADV, Part 1A, Schedule A.

Item 5 – Fees and Compensation

Each JBG Manager receives compensation from the applicable JBG Fund pursuant to the terms of the limited liability company agreement pursuant to which such JBG Fund was formed (each, an “L.L.C. Agreement” and collectively, the “L.L.C. Agreements”). The L.L.C. Agreements set forth the forms and amounts of compensation to the JBG Managers, which generally include a management fee (which may be a preset negotiated amount, but, in most cases, is calculated as a percentage of committed capital or invested capital) and an ability to receive performance-related compensation based on amounts available for distribution after certain return thresholds for the applicable JBG Fund have been met.

Each L.L.C. Agreement includes details on the categories of expenses that are borne by the JBG Funds. Investors in the JBG Funds negotiate the L.L.C. Agreements before committing capital to the applicable JBG Fund, including with respect to the matters of management compensation, preferential rate of return, performance-related compensation, and expenses. There is no additional compensation to the JBG Manager or any affiliate for advising any REIT that may be formed by a JBG Fund.

The projects in which the JBG Funds invest also contract with affiliates of the JBG Managers for property-specific services, such as property development, property management, leasing, and other services, for which those affiliates receive fees in amounts that are believed to be at or below market rates. JBG SMITH will acquire these service providers in the Transaction and a subsidiary of JBG SMITH will provide the related services thereafter.

Each JBG Fund is responsible for paying all of its expenses, including: organizational expenses; fund maintenance expenses; costs of acquiring, owning, holding, improving, remodeling, rehabilitating, redeveloping, leasing, developing, constructing, expanding, maintaining, managing, operating, and disposing of portfolio investments; all financing and deal structuring costs; valuation and appraisal costs; disposition expenses; accounting and legal fees (including allocations of costs of in-house legal personnel); and a range of other expenses that are specifically detailed in the applicable L.L.C. Agreement.

The information contained herein is a summary only and is qualified in its entirety by reference to the detailed provisions of the applicable JBG Fund L.L.C. Agreement.

If a JBG Fund incurs transaction expenses in connection with an investment in which it co-invests with another JBG Fund, those expenses are generally paid by each JBG Fund on a pro rata basis. Each JBG Fund may also reimburse the applicable JBG Manager or any individual managing member thereof, or any investor in the JBG Fund for any costs advanced on behalf of such JBG Fund.

No JBG Manager or any of its supervised persons accepts compensation for the sale of interests in the JBG Funds or any other securities or other investment products.

See Item 12 – *Brokerage Practices*, for further discussion with respect to fees associated with brokerage practices.

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

As described in response to Item 5, each JBG Manager receives performance-related compensation only after certain return thresholds for the applicable JBG Fund have been met. The terms of this performance-based compensation are determined under the provisions of the applicable L.L.C. Agreement and thus are negotiated and approved by the applicable JBG Fund investors at the time of formation of the applicable JBG Fund. This performance-related compensation fee is based strictly on cash realizations and is only assessed after the investors have received the full distribution of invested capital and the applicable preferential return on unreturned capital. Therefore, performance-related compensation is never based on unrealized gains.

A JBG Manager's performance-related compensation may create an incentive for the JBG Manager to recommend investments with greater income or gain potential, but which are riskier or more speculative than investments that the JBG Manager might otherwise recommend if its fee did not include this performance-based compensation. Investors in the JBG Funds are informed of the terms of the performance-based compensation in the JBG Fund private placement memoranda and in the L.L.C. Agreements. The risks associated with these economic arrangements are also disclosed in the applicable private placement memorandum.

Item 7 – Types of Clients

Types of Clients and Investment Vehicles

The JBG Managers provide investment advisory services to the JBG Funds in their capacities as managing members of the respective JBG Funds. Each of the JBG Funds is a pooled investment vehicle. The JBG Funds currently advised by the JBG Managers are set forth in Item 4 hereof. The only client of each JBG Manager is the JBG Fund for which it is a managing member.

Minimum investment commitments may be established for JBG Fund investors. The JBG Manager of each JBG Fund, in its sole discretion, may permit investments that are less than the required minimum investment commitment set forth in the applicable L.L.C. Agreement.

Feeder Funds

One or more feeder funds are often formed for the purpose of facilitating an investment in a JBG Fund by the investors in such feeder fund (each, a “Feeder Fund”). A Feeder Fund is a limited partner of the JBG Fund whose interests in the Feeder Fund are held by the investors who elect to participate in the JBG Fund through such Feeder Fund. The Feeder Funds organized by the JBG Funds are typically used to aggregate the investments of individual and family-related investors. Typically, institutional investors invest directly in the JBG Funds. A Feeder Fund invests strictly in the JBG Fund for which it is formed, and has no other investments.

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

Method of Analysis and Investment Strategy

Under the investment strategies of the JBG Funds, the JBG Managers identify and invest in real estate assets on behalf of the applicable JBG Fund, provide for the management of these assets, and ultimately effect the disposition of these assets. The JBG Managers focus on opportunities in high barrier-to-entry submarkets with measured downside and significant potential for value creation through entitlement, repositioning and marketing, new development, and capital structuring. The JBG Managers bring to bear broad transactional skill sets, strong organizational and financial capacity, and a long history of working in the asset classes and markets on which they focus. The JBG Managers acquire and develop the following asset types: office, multi-family, retail, and hotels. The JBG Managers often develop these assets as mixed-use assets (e.g., the asset may be an office building with retail shops on the lower levels or a hotel with condominium units on the top floors and retail shops on the ground floor).

In analyzing real estate investment opportunities, the JBG Managers utilize various financial evaluation methods, including (i) capitalization rate, (ii) cash on cash return, and (iii) internal rate of return, among others.

Risk of Loss

Investing in securities involves significant risks, including the risk of loss of some or all of an investment. The JBG Funds' investment activities involve a high degree of risk with no certainty of any return of contributed investor capital. There can be no assurance that a JBG Fund will meet its investment objective or successfully carry out its investment program. No assurance can be given that any JBG Fund will be successful in obtaining suitable investments or in achieving the investment returns on which particular investments are predicated. JBG Fund investors do not have the opportunity to individually evaluate the criteria on which particular investments are made, nor do they have any ability to opt out of any of the investments that the JBG Manager may make for a particular JBG Fund.

The JBG Funds are designed for and offered strictly to experienced and sophisticated persons, typically large institutional investors and high net worth individuals, who are able to bear the risk of substantial impairment or total loss of their investment in the JBG Funds. Accordingly, and in addition to this over-arching consideration, the JBG Managers' investment strategy and methods of analysis involve the following material risks, among others. The following summary of material risks attendant to investments in the JBG Funds is not a complete list of all investment and operating risks associated with such investments, a more detailed discussion of which is set forth in the offering documents of the applicable JBG Fund.

Leverage Increases Exposure to Loss. The JBG Funds typically incur a significant amount of portfolio debt, generally in the range of 70% or more of invested capital. While utilization of leverage can be beneficial to JBG Fund investment performance, leverage creates risks. Leverage will increase the exposure of such investments to adverse economic factors, such as significantly rising interest rates, severe economic downturns, or deterioration in the condition of the investment or its corresponding market. For example, if the interest expense on indebtedness exceeds the return on the assets financed by such indebtedness, a leveraged capital structure will result in lower net income than if the investment were not leveraged. There can be no assurance that the projects in which the JBG Funds invest will be able to meet their debt service obligations and, to the extent that they cannot, investment returns will be reduced and invested capital could be lost.

Concentration of Investments in Real Estate in a Limited Geographic Area May Adversely Affect the JBG Funds' Performance. The JBG Funds typically make their investments in the Washington, D.C. SMSA. Having its investments concentrated in a particular type of asset and in a particular region makes a JBG Fund more susceptible to adverse developments affecting that particular asset type and region. The JBG Funds will be susceptible to downturns in the Washington, D.C. SMSA.

New Developments and Acquisitions May Fail to Perform as Expected. In deciding whether to acquire or develop particular real estate assets, the JBG Managers make certain assumptions regarding the expected future performance of such assets. If a number of these new properties do not perform as expected, the financial performance of the relevant JBG Fund(s) will be adversely affected.

In addition, certain of the investments made by the JBG Funds are investments in projects in the pre-development and development stages. Development projects are subject to a number of risks, including construction delays, complications in obtaining necessary zoning, occupancy and other governmental permits, cost overruns, financing risks, and the possible inability to meet expected occupancy and rent levels. If any of these problems occur, development costs for a project may increase, and there may be costs incurred for projects that are ultimately not developed. The occurrence of any of these events could have a material adverse effect on the performance of a JBG Fund.

Investments with Third Parties May Adversely Affect a JBG Fund's Ability to Achieve Its Investment Objectives and Thus May Negatively Affect Returns. A JBG Fund may co-invest with third parties through partnerships, joint ventures or other entities in some of its investment opportunities. In limited circumstances, the JBG Fund may share control or have limited control over these investments and, therefore, may have only a limited ability to protect its interests in such investments. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third-party partner or co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the JBG Fund, or may be in a position to take actions contrary to the JBG Fund's interests. In addition, a JBG Fund may, under certain circumstances, be liable for the actions of its third-party partners or co-venturers. As a result, returns to all investors may be negatively impacted.

Real Estate Investments Are Illiquid. Real estate assets are relatively illiquid. Accordingly, the ability of a JBG Manager to cause a JBG Fund to vary its portfolio of real estate assets in response to changes in economic and other conditions will be limited.

The Value of Real Estate Is Dependent on Conditions Beyond the Control of the JBG Managers. The JBG Managers cause the JBG Funds to invest principally in real estate and real estate-related assets, which are subject to varying degrees of risk generally incident to the ownership of real property. A portion of these investments may consist of underperforming real estate assets, which have significant amounts of unleased space or which may incur tenant defaults, and thus may not generate revenues sufficient to pay operating expenses and meet debt service obligations. The underlying value of such real estate and real estate-related assets and the JBG Fund's income will be dependent upon the ability of the JBG Fund to operate such assets in a manner sufficient to maintain or increase revenues in excess of operating expenses and debt service or, in the case of real property leased to a single lessee, the ability of the lessee to make rent payments. Revenues may be adversely affected by adverse changes in regional, national or local economic conditions, competition from other properties offering the same or similar services, changes in interest rates and in the availability, cost and terms of mortgage financing, the impact of present or future environmental legislation and compliance with environmental laws (including the expenses of remedial actions at a JBG Fund's properties), the ongoing need for capital improvements (particularly in older structures), changes in real estate tax rates and other operating expenses, adverse changes in governmental rules and fiscal or location policies, civil unrest, acts of terrorism, acts of God, natural disasters (which may result in uninsured losses), acts of war, adverse changes in zoning laws, as well as other factors which are beyond the control of the JBG Managers.

The Volatility of Real Estate Values May Adversely Affect the Value of a JBG Fund's Investments. Real estate values and income derived from real estate investments are subject to volatility and may be affected adversely by a number of factors, including, without limitation: national, regional and local economic conditions (which may be adversely affected by plant closings, industry slowdowns and other factors as well as general macro-economic trends); local real estate conditions (such as an oversupply of housing, retail, industrial, office or other commercial space); changes or continued weakness in specific industry segments; perceptions by prospective tenants, retailers and shoppers of the safety, convenience, services and attractiveness of the property; the willingness and ability of the property's owner to provide capable management and adequate maintenance; construction quality, age and design; demographic factors; retroactive changes to building, zoning or similar codes; and increases in operating expenses (such as energy costs). An increase in mortgage defaults in the residential market could have had a negative impact on the credit markets generally, which may have an adverse impact on a JBG Fund's ability to finance property acquisitions and on a JBG Fund's operations generally. The JBG Managers are unable to predict future changes in national, regional, or local economic, demographic or real estate market conditions. For example, a recession or a rise in interest rates could make it more difficult for a JBG Fund to lease real properties or to dispose of them. In addition, rising interest rates could also make alternative interest-bearing and other investments more attractive and therefore potentially lower the relative value of the real estate assets that the JBG Managers acquire for the

JBG Funds. These conditions, or others that the JBG Managers cannot predict, may adversely affect results of operations, cash flow and returns that the JBG Funds are able to achieve.

To the Extent a JBG Fund Invests in Multifamily Properties, its Ability to Make Distributions to Members may be Adversely Affected by Short-Term Leases that Expose JBG Funds to the Effects of Declining Market Rent. JBG Funds may invest in multifamily properties. The JBG Managers expect that substantially all of its leases for such properties would be for a term of one year or less. Because these leases generally would permit the residents to leave at the end of the lease term without penalty, a JBG Fund's rental revenues could be impacted by declines in market rents more quickly than for longer-term leases, which in turn could affect the ability of such JBG Fund to make distributions to its investors.

To the Extent a JBG Fund Invests in Retail Properties, its Performance will be Linked to the Market for Retail Space Generally. The market for retail space has been and could be adversely affected by weaknesses in the national, regional and local economies, adverse financial condition of some large retail companies, the ongoing consolidation in the retail sector, excess amounts of retail space in a number of markets and competition for tenants with other shopping centers in a JBG Fund's markets. Retailers at JBG Fund properties will face continued competition from discount or value retailers, factory outlet centers, wholesale clubs, mail order catalogs and operators, television shopping networks and shopping via the Internet. Such competition could adversely affect a JBG Fund's tenants and, consequently, its revenues and funds available for distribution.

Limited Number of Investments. Each JBG Fund will make only a limited number of investments and take large positions in those investments. If any single investment experiences a material loss, the overall returns to the applicable JBG Fund may be adversely affected.

Conflicts of Interest. The JBG Managers and the JBG Funds are related persons. Although the fees payable to the JBG Managers have been disclosed to, negotiated with, and approved by investors in the JBG Funds at the time of formation, any of these fees may be more favorable to the JBG Managers than might be available from an unaffiliated third party. Entities in which the JBG Manager or its principals have an interest, either directly or through their ownership interests and management participation in JBG SMITH, may be retained by a JBG Fund. These entities may receive fees for development, providing property management, leasing, and other services to the portfolio properties of the JBG Funds. Although these fees are believed to generally be at or below market, any of these arrangements may be more favorable to the related entities than might be available from an unaffiliated third party.

Additionally, as disclosed in Item 6, because affiliates of the JBG Managers receive performance-based compensation, the JBG Managers may have an incentive to recommend investments that are riskier or more speculative than would otherwise be the case absent this performance-based compensation.

Item 9 – Disciplinary Information

No JBG Manager has any legal or other disciplinary event to disclose. This statement also applies to all of the JBG Managers' management persons.

Item 10 – Other Financial Industry Activities and Affiliations

No JBG Manager or any of its management persons is registered, or has an application pending to register, as a broker-dealer or registered representative of a broker-dealer.

No JBG Manager or any of its management persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or associate of any such entities.

Affiliates of the JBG Managers have sponsored limited partnerships (or their equivalent) that are not pooled investment funds and make real estate investments. The JBG Managers and their affiliates do not plan to sponsor additional real estate funds, other pooled investment funds, or other real estate investment vehicles in the future. The relationship among the applicable JBG Manager, its affiliates and these other entities is disclosed to investors in the JBG Funds in private placement memoranda and other offering documents.

The JBG Managers and their management persons do not have material relationships with related persons who are (1) broker-dealers, municipal securities dealers, or government securities dealers or brokers; (2) investment companies or other pooled investment vehicles other than the real estate funds sponsored by the JBG Managers and their affiliates; (3) investment advisers or financial planners; (4) futures commission merchants, commodity pool operators, or commodity trading advisors; (5) banking or thrift institutions; (6) accountants or accounting firms; (7) lawyers or law firms; (8) insurance companies or agencies; (9) pension consultants; (10) real estate brokers or dealers; or (11) sponsor or syndicators of limited partnerships other than certain other real estate funds sponsored by The JBG Companies.

The JBG Managers do not recommend or select investment advisers for their clients.

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

Code of Ethics

As investment advisers registered with the SEC under the Advisers Act, the JBG Managers have adopted a joint Code of Ethics applicable to all of the JBG Managers (the “Code”) that sets forth standards of conduct and requires compliance with federal securities laws and their fiduciary obligations as advisers to their respective clients. The Code applies to all persons defined as Access Persons under SEC Rule 204A-1. The Code outlines policies in several areas, including: standards of conduct and compliance with laws, rules and regulations; protection of material non-public information; and personal securities trading and reporting policies and procedures. Upon request (by contacting us at (240) 333-3600), the Manager will provide a copy of the Code to any client, prospective client, or investor in the JBG Funds.

Under the Code, Access Persons must comply with all laws, rules, and regulations applicable to its operations and business. Each JBG Manager also expects all Access Persons to comply with all applicable internal policies and procedures and to seek guidance from the Chief Compliance Officer or management personnel when in doubt about any contemplated course of action.

The Code requires Access Persons to maintain the confidentiality of all confidential or proprietary information regarding the JBG Managers, the JBG Funds, and JBG SMITH, except when disclosure is mandated by law. The Code emphasizes that, under federal securities laws, persons may not trade in securities while possessing material, non-public information concerning the issuer of those securities, nor may persons share that information with others who may trade in that issuer’s securities.

The Code bars each JBG Manager and its advisory personnel from effecting transactions with a JBG Fund as principal without full disclosure to and informed consent by the JBG Fund. The JBG Managers’ officers, directors, employees, and other Access Persons are also barred from using information about investments or prospective investments of the JBG Funds, or their ability to influence those prospective investments, for personal gain or in a manner detrimental to the interests of any JBG Manager or the JBG Funds.

All Access Persons must report their personal securities holdings to the JBG Manager upon becoming an Access Person and on an annual basis. Access Persons also must report their personal securities transactions on a quarterly basis. Access Persons must obtain pre-clearance before purchasing securities in any initial public offering, private placement, or other limited offering. The Chief Compliance Officer will monitor Access Persons’ personal securities transactions to ensure that no transactions raise the appearance of potential trading on non-public information or other violation of the Code of Ethics or the JBG Managers’ fiduciary duties to their clients.

All Access Persons are required to promptly report any actual, apparent, or suspected violations of the Code to the Chief Compliance Officer or their supervisor. Each Access Person has received a copy of the Code. Access Persons must certify annually that they have been provided a copy of the Code and that they have agreed to be bound by its provisions. An Access Person may be subject to discipline for violations of the Code.

Participation or Interest in Client Transactions

As a fiduciary, each JBG Manager must put the interests of the JBG Funds before its own interests.

The JBG Fund agreements typically permit more than one JBG Fund to participate in an investment on a co-investment basis, after consultation with the JBG Funds' respective investor advisory committees. It is customary for more than one JBG Fund to co-invest in larger projects, provided that the investment is valued at market, as determined by appraisal, a third-party offer, or otherwise, and subject to a requirement that any incentive compensation is shared on a pro rata basis by the respective JBG Managers or other investing entities. Any co-investment or other program, partnership, or joint venture with an affiliate of a JBG Manager must, with respect to JBG Fund VII, JBG Fund VIII, and JBG Fund IX, be specifically and affirmatively approved by the applicable JBG Fund's advisory committee.

Through the limited partnership structure, the JBG Managers' affiliates have indirect beneficial interests in the securities owned by the JBG Funds and will share in any profits and losses generated by JBG Fund investments. In certain situations, related persons of the JBG Managers may purchase interests in the portfolio investments held by one or more JBG Funds through the general partner established to facilitate employee compensation programs for qualified employees.

The JBG Managers will always endeavor to act in the best interest of the respective JBG Funds; however, investors should be aware that the JBG Managers' and their affiliates' receipt of compensation from the JBG Funds creates a potential conflict of interest with respect to such transactions. These and other operating relationships have the potential for creating conflicts of interest. Where actual or potential conflicts of interest between JBG Managers, related persons and the JBG Funds are identified, procedures contained in the governing documents of the JBG Funds are utilized, in particular with respect to JBG Fund VII, JBG Fund VIII, and JBG Fund IX, review and resolution of matters involving actual or potential conflicts of interest by investor Advisory Committees. See Item 12 – *Brokerage Practices*, for information about how such conflicts of interest are managed.

Item 12 – Brokerage Practices

As a general matter, the JBG Managers invest through private transactions that do not involve the selection, recommendation, or compensation of any securities broker-dealers. Certain JBG Funds have established tax-qualified real estate investment trusts through which certain (but not all) of their portfolio investments are made. It is possible that late in the life of these JBG Funds, one or more of these REITS may make occasional and temporary investments for the REIT in stocks of publicly traded real estate investment trusts.

If a JBG Fund directly or indirectly executes a transaction through a broker-dealer, the applicable JBG Manager would seek the best price and execution available. The JBG Managers have no formal arrangements with specific broker-dealers to receive research, services other than execution, or other “soft dollar benefits” in exchange for brokerage commissions from client transactions. To the extent that investments in publicly traded securities are made, the JBG Managers will periodically evaluate the brokerage commissions and negotiated terms paid to or made with broker-dealers by, among other things, comparing those commissions and terms with the rates and terms of comparable broker-dealers.

The JBG Managers do not consider whether the JBG Managers or their affiliates may receive client referrals from a broker-dealer or third party in selecting or recommending broker-dealers. As a matter of policy, JBG Managers will not permit the direction of any client transactions to a specific broker or dealer by an investor.

The JBG Managers and their affiliate entities do not intend to engage in cross transactions where a portfolio holding is transferred between JBG Funds. If it becomes necessary in the future to engage in cross transactions, approval may be granted provided the transfer is consistent with JBG Manager’s fiduciary obligations to each JBG Fund participating in the cross transaction, the applicable L.L.C. Agreement (including any required consultation with or approval by the investor advisory committee), and the Advisers Act.

Item 13 – Review of Accounts

The investment portfolios of the JBG Funds are periodically reviewed by the JBG Manager's management team for compliance with their investment guidelines and strategies. Asset management personnel conduct monthly reviews. JBG Manager's portfolio management team conducts quarterly reviews. Under the L.L.C. Agreements, each stabilized, income-producing property must have a written valuation prepared by an independent valuation expert at least once every two years. In any year in which an independent valuation is not prepared, the JBG Manager is required to prepare a written estimate of value. All such valuations, whether performed internally or by an independent adviser, must be provided to JBG Fund investors within 90 days of year-end. JBG Investment Fund VIII, L.L.C., JBG Investment Fund IX, L.L.C., and JBG/Urban Direct Member, L.L.C. receive financial statements prepared and audited in accordance with generally accepted accounting principles annually, which are provided to the investors in these funds within 90 days of year-end. JBG Investment Fund VII, L.L.C. receives tax-basis financial statements audited by the JBG Fund's independent public accountants, but such audit is not based on generally accepted accounting principles.

Investor Advisory Committee

The fund formation agreements of JBG Fund VII, JBG Fund VIII, and JBG Fund IX each establish an investor advisory committee for each JBG Fund, which, among other things, participate in the review process. The advisory committee is comprised of representatives of the investors who are appointed by the JBG Managers to engage in certain activities as provided for in the applicable L.L.C. Agreement, which may include: (i) review and approve/disapprove potential or actual conflicts of interest; (ii) consent on behalf of the investors to certain actions requiring their approval under the Advisers Act; (iii) approve certain major decisions specified by the applicable L.L.C. Agreements, including certain financing matters and certain actual and potential conflicts of interest, all as specifically set forth in the applicable L.L.C. Agreements; and (iv) consider such other business matters of significance. The JBG Managers will retain ultimate responsibility for all decisions relating to the operation and management of the applicable JBG Fund.

In the case of Funds VII-IX, a JBG Fund's advisory committee may not have the same interests as all investors. Each member of the advisory committee will have no duty to any investor. Furthermore, the JBG Fund's advisory committee members cannot be expected to be expert in investing, and certain of its determinations may, in fact, adversely affect the performance of the JBG Fund. A JBG Fund will also indemnify members of its advisory committee for any losses or damages incurred in connection with serving on the advisory committee so long as such losses or damages did not result from such member's fraud.

Item 14 – Client Referrals and Other Compensation

The JBG Managers do not receive an economic benefit for providing investment advice or other advisory services from anyone other than the JBG Funds. The JBG Managers have not entered into written agreements with third parties to act as solicitors for its investment management business.

Item 15 – Custody

Custody occurs when JBG Managers or one or more affiliated entities directly or indirectly hold client funds or securities, or have the ability to gain possession of them. Because of their status as managing members of the JBG Funds, the JBG Managers are deemed to have custody of the assets of the JBG Funds. To comply with Rule 206(4)-2 of the Advisers Act (the “Custody Rule”), the JBG Managers maintain custody of client funds and securities with qualified custodians as required by the Custody Rule. Certain, but not all, of the JBG Funds provide their investors with financial statements prepared and audited under generally accepted accounting principles. The JBG Managers to JBG Funds that provide such GAAP statements intend to rely on the limited partnership exception to the Custody Rule. Because JBG Investment Fund VII, L.L.C. does not currently provide GAAP statements to its investors, JBG/Fund VII Manager, L.L.C. has engaged an independent accountant to provide a surprise verification of the funds and securities held in custody for JBG Investment Fund VII as required by the Custody Rule. Upon the final liquidation of a JBG Fund that provides GAAP statements, the JBG Manager intends to obtain a final audit and distribute audited financial statements prepared in accordance with GAAP to all investors promptly after completion of the audit.

Item 16 – Investment Discretion

Because the JBG Managers, in their capacities as managing members of the respective JBG Funds make all investment decisions for the JBG Funds, the JBG Managers report all assets under management as managed on a discretionary basis.

The limitations on the JBG Managers' investment discretion are contained in the JBG Fund's L.L.C. Agreement, established through negotiations with the investors, and the applicable JBG Manager. These limitations are negotiated on a case-by-case basis and will vary from time to time. In the case of JBG Funds whose investment periods have closed, the JBG Managers' investment discretion will be limited to certain follow-on investments and the liquidation of existing portfolio investments.

Item 17 – Voting Client Securities

Under Rule 206(4)-6 of the Advisers Act, registered investment advisers that exercise voting authority with respect to client securities are required to have proxy voting policies and procedures. At the present time, the JBG Managers do not anticipate acquiring publicly traded securities where they would be required to vote proxies. Should any JBG Fund receive proxy statements, the JBG Manager intends to vote such securities in accordance with management recommendations, unless it determines that voting in a different manner would be in the best interests of the JBG Fund. The JBG Managers have adopted proxy voting policies that reflect the foregoing. If a JBG Fund investor would like to obtain a copy of the JBG Managers' proxy voting policies or additional information about how proxies have been voted, please contact us at (240) 333-3600.

Item 18 – Financial Information

The JBG Managers do not solicit fees six months or more in advance, nor do any of the JBG Managers have any financial condition that is reasonably likely to impair the ability to meet their respective contractual obligations. No such impairment exists, nor have the JBG Managers or their affiliate entities been the subject of any bankruptcy proceeding.