

Walton Street Capital, L.L.C.

Part 2A of Form ADV

The Brochure

Address	900 North Michigan Avenue Suite 1900 Chicago, Illinois 60611
Telephone	(312) 915-2800
Website	www.waltonst.com

March 30, 2020

Item 1. Cover Page

This investment adviser brochure (“Brochure”) provides information about the qualifications and business practices of Walton Street Capital, L.L.C. (together with its relying advisers, “Walton Street”). If you have any questions about the contents of this Brochure, please contact us at 312-915-2800. 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.

Walton Street is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

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

Item 2 Material Changes

Walton Street filed its most recent Brochure on March 30, 2019. This annual amendment updates the description of certain of the business practices of Walton Street and its affiliates.

Item 3 Table of Contents

Item 1	Cover Page.....	1
Item 2	Material Changes	2
Item 3	Table of Contents	2
Item 4	Advisory Business	2
Item 5	Fees and Compensation	5
Item 6	Performance-Based Fees and Side-by-Side Management.....	15
Item 7	Types of Clients.....	16
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	16
Item 9	Disciplinary Information	21
Item 10	Other Financial Industry Activities and Affiliations	21
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ...	23
Item 12	Brokerage Practices	26
Item 13	Review of Accounts	30
Item 14	Client Referrals and Other Compensation.....	31
Item 15	Custody.....	33
Item 16	Investment Discretion.....	33
Item 17	Voting Client Securities	33
Item 18	Financial Information	34

Item 4 Advisory Business

Walton Street Capital, L.L.C. was founded in 1994 and is owned by Walton Capital Advisors, L.P. As of December 31, 2019, affiliates of Walton Street managed \$11,638,665,595 on a gross basis, which includes each investment vehicle’s net asset value, allocable share of debt on underlying investments, and remaining commitments able to be called.

Walton Street provides investment advisory services to investment vehicles or entities (each a “Fund” and collectively, the “Funds”) that primarily invest in equity and/or debt interests in real estate-related assets and real estate operating companies. Walton Street also provides advisory or sub-advisory services for certain entities. Walton Street has affiliated entities that serve as the General Partner, manager or investment adviser, as applicable (each, a “General Partner” and collectively, the “General Partners”), to each respective Fund, and such affiliated entities may be deemed registered under the Advisers Act pursuant to Walton Street’s registration in accordance with SEC guidance. This Brochure also describes the business practices of each General Partner, which together operate as a single advisory business together with Walton Street. Each Fund generally will be managed by its respective General Partner, although for certain structures, a Walton Street affiliate may provide discretionary or non-discretionary investment advice. For ease of reference, Walton Street and any General Partner to a Fund are referred to, collectively,

throughout this Brochure as “Walton Street”, unless the context otherwise requires. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation” if such phrase is not already present.

Walton Street is responsible for identifying investment opportunities for the Funds, as well as facilitating the acquisition, monitoring, and disposition of each of the Funds’ investments. Walton Street provides investment advice to the Funds (not to Fund investors), but feeder or parallel Funds may be created for investors as described below. Walton Street tailors its advisory services to the individual needs of each Fund, in accordance with the investment objectives, strategies and limitations (if any) described in each Fund’s respective offering documents and limited partnership agreement or other governing agreement (each, a “Governing Agreement” and collectively “Governing Agreements”). A Governing Agreement includes as to any particular investor any side letter or similar agreement (collectively, “Side Letters”) that has been entered into between such investor and the applicable Fund and/or General Partner.

The Funds are organized as Delaware limited partnerships, Delaware limited liability companies, Mexican trusts, Cayman Islands exempted limited partnerships, Luxembourg limited partnerships or other similar entities established under the laws of other jurisdictions. Certain Funds are organized into a structure comprised of parallel Funds, which may include entities formed for investors to invest through such parallel Funds (collectively, “Parallel Funds”). The Parallel Funds include feeder and related entities formed and managed by a General Partner or an affiliate thereof to facilitate certain investors’ investment into one or more of such Parallel Funds. Parallel Funds generally invest in assets side-by-side based upon capital commitments (or in the case of perpetual life vehicles, based on net asset value) and the relevant General Partner may invest through such Parallel Funds or related entities, in whole or in part, to satisfy Walton Street’s sponsor commitment to the relevant Fund. Generally Parallel Funds are established to accommodate particular compliance, legal, regulatory, tax or other needs of certain investors and may be organized in a variety of jurisdictions. Parallel Funds may contain different terms and conditions than other Parallel Funds within the same Fund structure. The term Fund or Funds includes any Parallel Funds, as applicable. In addition, Walton Street may consider the formation of Funds or other structures including but not limited to separate accounts and management agreements, which do not violate the Governing Agreements of other Funds.

Certain Funds advised by Walton Street are subject to regulation in jurisdictions outside the United States, and in certain jurisdictions (including the European Union), Walton Street for regulatory reasons has retained an unaffiliated Alternative Investment Funds Manager to provide certain advisory services, to the extent required. Although this Brochure generally discusses matters that apply generally to all of Walton Street’s Funds, local regulatory requirements, market practices or contractual conditions may result in different treatment for these regulated entities. Accordingly, we encourage investors in such Funds to consult the Governing Agreements for their Fund for additional information.

Sidecars and Co-Investment Opportunities

Walton Street may provide certain investors the right to participate in a separate pooled investment vehicle (“Sidecar”) for the purpose of participating in certain co-investment opportunities or other

joint investments with a particular Fund. Investors may make a commitment to a Sidecar, when made available, the amount of which will be determined in Walton Street's discretion. Other terms with regard to a Sidecar are defined in the Governing Agreements of the relevant Sidecar.

The Governing Agreements for certain Funds also provide terms by which the partners may be allowed to co-invest with that Fund in real estate assets. Those terms generally provide investors that have made specified minimum commitments (which vary by Fund), the General Partner, its affiliates and other investors in certain cases ("Co-Investment Partners") with the potential right to invest alongside a Fund in an investment that, because of certain investment limitations, lack of available capital, applicable law or Fund objectives (such as diversification requirements), limit the amount such Fund would otherwise invest in such investment as determined in good faith by Walton Street in its sole discretion. To the extent Walton Street elects to offer any opportunity to co-invest with a Fund to the partners of that Fund (including affiliates of Walton Street) rather than third parties, Walton Street must offer any such co-investment opportunity to such Co-Investment Partners pursuant to the terms of such Fund's Governing Agreements, which generally provide such opportunities to be offered first to the Co-Investment Partners pro rata. If after giving effect to such offers, additional interests in the relevant co-investment opportunity remain available, subject to any legal, tax, regulatory, timing or similar considerations, Walton Street may offer such co-investment opportunity to the relevant General Partner, its affiliates, limited partners and any other individual or entity on terms and conditions, with the exception of fees payable thereunder, no more favorable than the terms and conditions offered to the Co-Investment Partners. The Governing Agreements of a Fund may provide different provisions relating to co-investment opportunities than those described above, including allowing the applicable General Partner to allocate co-investment opportunities to such parties as such General Partner determines in its discretion. Additionally, co-investment agreements generally contain terms customary for joint investments, including without limitation provisions related to management rights, defaults, and capital calls. Walton Street is subject to conflicts of interest in exercising its discretion with regard to the determination of when to offer a co-investment opportunity to Co-Investment Partners or third parties or with regard to allocating co-investment opportunities not taken by Co-Investment Partners.

From time to time, Walton Street will be presented with investment opportunities that would be suitable or appropriate not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of Walton Street. In determining which investment vehicles should participate in such investment opportunities, Walton Street and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one client of Walton Street in an asset may also raise the risk of using assets of a client of Walton Street to support positions taken by other clients of Walton Street.

Joint Investments with Third Parties

Walton Street may invest assets of a Fund in other entities or pooled investment vehicles that specialize in particular real estate investments. Through these types of investments, investors may bear two layers of fees and/or incentive compensation that include fees and/or incentive compensation paid to the sponsor and/or managing entity of the vehicle and/or another participant in such vehicle. Such entities and other pooled investment vehicles are generally managed by unaffiliated third-party managers; however, typically Walton Street would also have certain management rights that may include, without limitation, approvals over major decisions.

Under certain circumstances Walton Street provides certain services, which may include administrative, accounting, advisory, management, development, construction, leasing, property management and/or sales management services, to such entities or pooled investment vehicles, and/or engage in service provider relationships with such entities, their affiliates or persons associated with any of them. In certain instances passive investors other than Fund investors may be admitted to such pooled investment vehicles that are partially owned by a Fund and that specialize in particular real estate investments. See Item 5 below for a description of other services provided by Walton Street that are paid for by certain Funds.

Walton Street Mexico Fund I, L.P. and its related parallel funds (collectively, “Mexico Fund I”) have entered into certain co-investment arrangements with two Mexican vehicles, one of which invests in retail properties (the “Retail Vehicle”) and the other of which invests in industrial properties (the “Industrial Vehicle”), respectively. Each vehicle has an unaffiliated third-party manager (each, a “Mexico Manager”). A Walton Street affiliate (“WSC Mexico”) provides services to those managers in connection with their management of the Retail Vehicle and the Industrial Vehicle. A Walton Street affiliate also provides certain services to a Mexico Manager with respect to a separate Mexican vehicle which invests in industrial properties (the “Additional Industrial Vehicle”). (See Item 5 below for information on fees paid to such Walton Street affiliate.)

Real Estate-Related Services

In addition to the foregoing activities, Walton Street also provides real estate consulting, monitoring and reporting services to third parties outside the United States. As part of these services, Walton Street has assisted and may assist in the evaluation of a real estate or real estate-related investment (whether debt, equity or otherwise), or monitor and report on the real property that serves as collateral for debt issued in public markets outside the United States.

Consultants

Walton Street may use consultants in connection with the provision of certain investment related activity. Such consultants can include former employees or part-time employees or current but inactive partners of Walton Street. Consultants may be engaged on a non-exclusive basis and may pursue other real-estate opportunities without a requirement to pursue such opportunities through Walton Street. Former employees or current but inactive partners who are consultants will generally be paid by Walton Street for their services, but will be reimbursed for expenses as provided in a Fund’s governing agreements. Third-party consultants are generally an expense of a Fund.

Item 5 Fees and Compensation

Fees are determined and assessed in a manner specific to each Fund. Affiliates of Walton Street generally make a substantial capital commitment to certain Funds and may pay no or reduced management fees, acquisition fees or incentive compensation, as applicable, in respect of such commitment. For the specific fees charged by any specific Fund, please refer to the Governing Agreements for such Fund. Certain fee breaks or alternative fee structures are offered to certain investors including those that participate in early closings of such Fund or for investors with a

specified commitment amount or based on other factors as set forth in the Governing Agreements of such Fund. Certain fees may be deferred or waived from time to time at the discretion of Walton Street. Investors in a Sidecar, co-investment vehicle or separate account generally pay reduced or no fees and/or incentive compensation. Investors in perpetual life vehicles are generally expected to pay fees and/or incentive compensation determined in a manner that differs from how fees and incentive compensation are generally calculated in Walton Street's closed end vehicles (e.g., management fees in such vehicles generally are calculated based on net asset value and incentive compensation may be calculated based on total performance relative to certain indices or relative to a hurdle rate).

1. Management Fees

Certain Funds or investors in such Funds pay management fees, quarterly in arrears, in an amount equal to up to 0.375% of the average daily balance of the investors' net invested capital for such quarter, or 1.50% per annum. Certain investors in a perpetual life vehicle pay management fees, quarterly in arrears, in an amount equal to the product of (i) such investor's pro rata share (according to the number of units in such vehicle held by each such investor) of the net asset value of such vehicle for the fiscal quarter ended immediately prior to such payment date (the "Applicable Fee NAV") multiplied by (ii) (A) 0.25% for the portion of such Applicable Fee NAV less than \$50 million, (B) 0.225% for the portion of such Applicable Fee NAV equal to or greater than \$50 million but less than \$100 million, (C) 0.2125% for the portion of such Applicable Fee NAV equal to or greater than \$100 million but less than \$200 million and (D) 0.20% for the portion of such Applicable Fee NAV equal to or greater than \$200 million. The Funds formed to invest primarily in real estate and real estate-related debt (each, a "Debt Fund" and collectively, "Debt Funds") pay management fees, quarterly in arrears, generally in an amount equal to up to 0.3125% or 0.375% of the average daily balance of the investors' net invested capital for such quarter, or 1.25% or 1.50% per annum. A Fund formed as a Parallel Fund within a Debt Fund to facilitate the private placement of interests to certain investors who are "accredited investors" ("Debt Fund-A") pays management fees, quarterly in arrears, generally in an amount equal to 0.375% of the aggregate amount subscribed for by investors (and, after the commitment period, 0.375% of the average daily balance of the net invested capital (as specifically defined in the Governing Agreements of Debt Fund-A) for such quarter, or 1.50% per annum. In addition to a rate differential, because Debt Fund-A's management fees are based on the aggregate amount subscribed for by investors, which is determined and funded upfront, Debt Fund-A will pay proportionately greater management fees than the other Parallel Funds within the Debt Fund. Investors in a Sidecar, co-investment vehicle or separate account pay such fees as are determined at the time such investment is offered as more specifically described in the Governing Agreements for such Sidecar, co-investment vehicle or separate account; any such entity that pays management fees in advance will receive a prorated reimbursement in the event the relevant Governing Agreement is terminated during the relevant period, if and to the extent provided in the Governing Agreement. For such purposes, net invested capital may include amounts recycled or reinvested in accordance with the terms of the Governing Agreements of the Funds, as well as certain borrowings, as described herein and in the Governing Agreements. Funds may also charge management fees based on capital commitments instead of net invested capital for certain periods of time (e.g., during such Fund's investment period). In consideration of the services provided to the Mexico Managers as described under Item 4 above, WSC Mexico receives from each Mexico Manager one-half of the management fee that such

Mexico Manager receives from the Retail Vehicle and Industrial Vehicle, respectively, and the applicable Walton Street affiliate receives from the Mexico Manager of the Additional Industrial Vehicle 40% of the management fee that such Mexico Manager receives from the Additional Industrial Vehicle. The management fee paid to each Mexico Manager by each such vehicle (other than the Additional Industrial Vehicle) is equal to (i) during the investment period of each vehicle, as applicable, 1.75% of the net capital received from investors in such vehicle, and (ii) during any extension of the investment period of such vehicle, and after such investment period, 1.75% of the net invested amount of such vehicle. The management fee paid to the applicable Mexico Manager by the Additional Industrial Vehicle is equal to (i) during the investment period of such vehicle, 1.70% of the sum of the net capital received from investors in such vehicle and the unfunded capital commitment of such investors, and (ii) during any extension of the investment period of such vehicle, and after such investment period, 1.70% of the net invested amount of such vehicle. In addition, Walton Street sponsors Funds that are Mexican Trusts (the “MX CKDs”). The management fees for one of the MX CKDs are equal to (i) during the investment period of such MX CKD, 1.75% per annum of the capital commitments (net of initial issuance expenses) from investors in such MX CKD, and (ii) during any extension of the investment period of such MX CKD, and after such investment period, 1.75% per annum of the net invested amount of such MX CKDs. The management fees for the other MX CKD are equal to (i) during the investment period of such MX CKD, the sum of (A) 1.75% per annum of invested capital (net of initial issuance expenses) of such MX CKD and (B) 1.50% per annum of unfunded capital commitments of the investors in such MX CKD and (ii) during any extension of the investment period of such MX CKD, and after such investment period, 1.75% per annum of the net invested capital of such MX CKD. With respect to one of the MX CKDs, the Walton Street affiliated manager of such MX CKD or any of its affiliates acts as a co-developer of real estate together with a third party developer, or provides certain additional services described in the trust agreement for such MX CKD, including but not limited to development, construction, leasing, property management and/or sales management services. Such manager or its affiliate, as applicable, together with any third party co-developer, are entitled to receive certain fee payments for such work subject to a fee schedule set forth in the MX CKD’s Governing Agreements. Further, one of the MX CKDs issues multiple series of interests where one series has a specified managed fee set forth in the trust agreement and the other series have a management fee determined based on a proposal by the manager that is approved by the holders of interests in such MX CKD series. From time to time, Walton Street pays fees to third party feeder fund sponsors for providing various services to their investors.

The Funds generally utilize a revolving line of credit, secured by the limited partners’ commitments to each respective Fund. In accordance with the Funds’ Governing Agreements, the line of credit provides liquidity to fund investments, as well as providing working capital. From time to time, the line of credit generally is utilized in lieu of making capital calls to the limited partners, including for purposes of making investments or paying for fees, costs or expenses, including fees, costs or expenses of, or reimbursements to, a General Partner or its affiliates. Certain of the Funds calculate asset management fees based on net invested capital (as defined in each respective Fund’s Governing Agreements), which generally is comprised of the limited partners’ capital contributions and the outstanding line of credit balance. There may be instances whereby the line of credit has been drawn to pay for working capital items, including asset management fees and acquisition fees (and other fees, costs or expenses of, or reimbursements to, a General Partner or its affiliates), which in turn generally increase the fees due (and interest paid on the line of credit) based on the net

invested capital computation described above. However, there is no difference (either an increase or decrease) in the computation of net invested capital whether the line of credit is used, or whether the capital is called from the limited partners.

For any Fund asset (“Investment”), the value of which has been written off by Walton Street but as to which there has not been a complete disposition, Walton Street will cease to include the Net Invested Capital of the Fund in such Investment for purposes of calculating the Management Fee and any Oversight Fee (as described below) upon either of the following conditions:

- (i) A receiver or similar custodian has been appointed by a court or in an arrangement with creditors to oversee the Investment following a default by the Fund or a subsidiary of the Fund on any indebtedness that is secured by the Investment; or
- (ii) An Investment has undergone a restructuring, and Walton Street determines in its good faith discretion that, as a result thereof, the Fund is no longer engaged in the active management or oversight of the Investment.

Walton Street may determine subsequently, at any time there has not been a complete disposition of the Investment, that neither of the above conditions is applicable with respect to the Investment, in which event Walton Street may include the Net Invested Capital associated with the Investment in its calculation of the Management Fee and any Oversight Fee prospectively thereafter.

Walton Street will disclose to the Advisory Board of the applicable Fund any adjustment to the Net Invested Capital of an Investment made pursuant to the conditions described herein.

2. Acquisition Fees

Certain Funds also pay to Walton Street an acquisition fee that is generally up to 1% of the gross asset cost of all investments made by each respective Fund. Investors of less than \$5 million in certain Funds are charged acquisition fees of 1.50% with respect to their commitments. For purposes of calculating the acquisition fees, Walton Street generally includes all gross costs associated with acquiring the asset as determined in good faith by Walton Street. These costs typically include, but are not limited to, the following: purchase price of the property, base building additions, tenant improvement additions and other capital expenditures, indebtedness and liabilities, financing fees, transfer taxes, and other adjustments.

3. Oversight Fees

Investors in certain Funds whose commitments are less than \$5 million generally are charged directly, quarterly in arrears, an oversight fee equal to 0.125% of the average daily balance of such investor’s net invested capital for such quarter. The oversight fees may be deducted from distributable proceeds to such investor or invoiced to such investor. Funds may also charge oversight fees based on capital commitments instead of net invested capital for certain periods of time (e.g., during such Fund’s investment period).

4. Incentive Compensation

Walton Street generally receives a portion of a Fund's distributable proceeds as incentive compensation, which generally will not exceed 20% of the amount of profits otherwise disburseable to each investor. Each Fund has established in its Governing Agreements a distribution waterfall or incentive fee payment mechanism describing how distributions (and incentive fee payments, if applicable) will be paid to the underlying investors and Walton Street. As described in more detail in the following paragraph, investors generally receive a preferential return on their investments and a return of their capital contributions prior to the distribution of any incentive compensation paid to Walton Street. The preferential return varies for each Fund, but is generally 7% to 11% per annum of their net invested capital (but for Debt Fund-A, 6% per annum on investors' unreturned capital contributions as defined in Debt Fund-A's Governing Agreements). However, pursuant to the relevant Governing Agreement(s), certain Funds may have a lower preferential return, which could contribute to a diminished overall performance for such Fund relative to the other Funds.

For certain Funds, incentive compensation is charged on a back-end basis after all contributed capital and the preferred return is disseminated to investors. For certain other Funds, Walton Street is entitled to receive incentive compensation on a deal-by-deal basis, in some instances subject to the subordination of 50% of its incentive compensation until the investors have fully received the return of their contributed capital and preferred return. For certain Funds Walton Street is subject to clawback provisions and is obligated to return to the limited partners any incentive compensation received by Walton Street if such compensation is greater than 20% of the profits or such profit sharing percentage set forth in the applicable Governing Agreements (subject to the return of invested capital and preferred return thereon) over the course of the respective Fund's life in accordance with the Governing Agreements of such Funds. The distribution waterfalls or other incentive compensation formulas are further described in the Governing Agreements for each Fund. Walton Street's participation in each Fund's profits could create an incentive for Walton Street to make more speculative investments on behalf of the Funds than it would otherwise make in the absence of any incentive compensation.

The Funds generally are organized as closed-end investment vehicles. An investor in the Funds generally may not withdraw, redeem, or transfer interests in the Funds without the consent of Walton Street. Walton Street has formed and in the future expects to form perpetual life vehicles where the terms are expected to differ from a closed end fund including without limitation management fees and incentive compensation. Walton Street has formed a perpetual life vehicle with respect to which incentive compensation equals 20% of the amount by which the applicable investor's total return from the Fund (as specified in the applicable Governing Agreements) (if positive) exceeds the specified benchmark return, if any, for such investor for the specified period. Further, perpetual life vehicles generally provide investors the right to request redemption of their interests in such vehicle on a quarterly or other periodic basis as contemplated in the Governing Agreements for such vehicles.

Walton Street generally does not make new investments for a Fund other than during the commitment period (and in some cases, for a specified period thereafter), provided new investments do not include investments that have been committed to (or generally that are under letter of intent

or agreement, as described in the relevant Governing Agreement(s)) prior to the end of the relevant commitment period. However, a Fund's distributable net proceeds generally may be reinvested in existing investments of such Fund or otherwise expended in accordance with the Governing Agreements of such Fund.

Performance-based compensation received by Walton Street is structured to comply with Rule 205-3 under the Advisers Act, to the extent applicable.

5. Accounting, Legal and Reporting Fees

Walton Street or its affiliates generally will provide accounting, legal and reporting functions. Certain Funds will reimburse Walton Street at cost for such services including "employment costs" (e.g., salaries and bonuses of relevant personnel) and related overhead expenses allocated thereto as reasonably determined by Walton Street or its affiliates, including based on the time expended by the persons who perform such services (which may in certain cases be determined by the number of transactions processed) in each case whether, for the avoidance of doubt, incurred before, on or after the initial closing date of a Fund, as further described in the Governing Agreements. Treasury accounting services are provided by 900FMS, LLC, an affiliate of Walton Street, and are allocated based upon each Fund's actual transaction count. Such overhead expenses include certain expenses (including but not limited to office rent, certain office services and human resource services (each of which are payable to an affiliate of Walton Street), benefits, employer taxes, utilities, maintenance, office supplies, software, mobile devices, internet connectivity, electronic storage and file archiving, certain IT related services including those related to network monitoring and disaster recovery, and certain insurance policy premiums). Such cost reimbursements are reported to the advisory boards or other committees of investor representatives ("Advisory Boards") for applicable Funds generally on an annual basis. Please see the section titled "Advisory Board" under Item 12 for additional information regarding the Funds' Advisory Boards.

6. Organizational and Offering Expenses and Other Costs, Fees and Expenses Paid by the Funds

The Funds will bear all costs and expenses incurred in connection with the formation and organization of the Funds and the initial offering and sale of interests in the Funds (including feeder and other entities managed by a General Partner or an affiliate thereof to facilitate certain investor's investment into a Fund), up to a specified amount, as disclosed in the Governing Agreements of each Fund. These formation and organizational costs and expenses related to marketing and forming a Fund include without limitation the offering, marketing and sale of interests in a Fund, including travel and accommodation expenses, legal and accounting expenses, filing fees and expenses, fees, costs and expenses (including commissions) incurred by a Fund with respect to a third party intermediary of any kind hired to comply with legal requirements, printing costs and other similar expenses, but excluding the fees or commissions of any third party placement agent not hired to comply with legal requirements, and will reimburse Walton Street for any such costs and expenses paid or incurred by Walton Street.

The Funds pay all third-party costs and expenses relating to the Funds' and their business, operations and activities, including originating, evaluating, acquiring, owning, hedging, financing,

operating, reviewing, managing and disposing of any Fund asset or potential Fund asset (and shall reimburse Walton Street for any such costs and expenses paid or incurred by Walton Street and its affiliated persons), including, without limitation, fees and expenses of legal counsel, accountants, appraisers, investment bankers and other third party consultants and advisors, premiums for insurance protecting the Funds and Fund investments, the General Partners and the Advisory Boards, travel expenses of Walton Street and its affiliates and the members of the Advisory Boards and observers if such right is granted in lieu of being appointed as voting members or non-voting members of the Advisory Boards, any out-of-pocket expenses incurred by Walton Street and its affiliates in connection with potential investments and any costs and expenses incurred in connection with any potential purchase or origination of an investment by a Fund that is not purchased or originated by such Fund, in each case whether, for the avoidance of doubt, incurred before, on or after the initial closing date of such Fund. For the avoidance of doubt, costs and expenses relating to the Funds and their business, operations and activities also include those relating to establishing and maintaining any investment-level debt and credit facility and the repayment of such debt, taxes of the Funds or their subsidiaries and expenses incurred in connection with any tax audit or other review of the Funds or their subsidiaries, fees of any third-party administrator, fees and incentive compensation of operating partners and joint venture partners, any litigation-related expenses and indemnification expenses, any direct or indirect investor or Fund reporting, any placement of preferred or other interests in a REIT subsidiary, structuring or particular reporting needs of one or more direct or indirect investors including costs related to feeder and other entities managed by a General Partner or an affiliate thereof to facilitate certain investors' investments into a Fund (other than, for the avoidance of doubt, tax liabilities that a General Partner determines are specific to certain investors) or formed in connection with investments made by the Funds, meetings of direct or indirect investors and the Advisory Boards, any other costs or liabilities approved by the Advisory Boards and any other costs and expenses incurred with respect to the operation of the Funds and their investments and other costs and expenses as described in the Governing Agreements.

The Funds generally bear fees (including but not limited to management and acquisition fees) as described in this Item 5. The Funds will bear the implementation-related and ongoing costs of software used for Fund accounting, portfolio management and investor reporting, including the investor website. The Funds may also be required to indemnify placement agents, administrators and other service providers or intermediaries. Fund reporting, including customized investor reporting, and other expenses related to an investor or group of investors, including costs and expenses related to complying with non-U.S., regulatory, tax or other requirements, generally will be an expense of such Fund as a whole and therefore borne by all Fund investors pro rata based on their capital commitments or, in the case of perpetual life vehicles, their respective interests in such Fund. Certain costs and expenses described herein, including but not limited to software and services related to accounting, portfolio management and investor reporting, certain insurance premiums, brokerage and related costs, and research-related costs and expenses are incurred on an aggregate basis and generally will be allocated as described below. In addition, the Funds generally rely on various exemptions from registration under the U.S. Investment Company Act and any costs and expenses incurred to comply with such exemptions will be borne by all Fund investors pro rata based on their capital commitments or, in the case of perpetual life vehicles, their respective interests in such Fund, even though certain investors may not invest in a Parallel Fund that relies on such exemption.

Certain Funds market their interests in the Funds (or one or more feeder or related entities comprising the Parallel Funds) to potential investors that are residents in one or more countries outside the United States. Except as otherwise provided in the Governing Agreements of the relevant Fund, any expenses incurred with respect to the offering, marketing and sale of such interests, including the registration and/or exemption of the marketing, offering and sale of such interests under the requirements of the applicable jurisdiction (including registrations, filings and compliance contemplated by the EU Alternative Investment Fund Managers Directive or any law, rule or regulation relating to the implementation thereof), will be treated as organizational expenses under the Governing Agreements of the relevant Fund (and subject to any cap on organizational expenses under the Governing Agreements).

Any fees, costs and expenses related to a Fund in any such jurisdiction in which such interests are marketed and sold, including any fees, costs and expenses associated with the appointment of a custodian, depository, paying agent or other representative and other fees, costs and expenses relating to administrative, regulatory and other requirements (including fees, costs and expenses associated with any administrative, regulatory or other ongoing filings or reports related to a Fund (including those contemplated by the EU Alternative Investment Fund Managers Directive or any law, rule or regulation relating to the implementation thereof will be borne by such Fund as a whole (and thus all investors in such Fund pro rata based on their capital commitments or, in the case of perpetual life vehicles, their respective interests in such Fund). However, any costs and expenses incurred for a General Partner or Walton Street to be licensed as, or to appoint a third party to serve as, a Fund's manager in such jurisdictions will be borne either by such Fund or by Walton Street or an affiliate thereof (other than such Fund), in accordance with the relevant Governing Agreements. Certain Funds will also bear other costs, fees and expenses, such as placement and underwriting fees, as described in the relevant Governing Agreement(s), and the amount of such costs, fees and expenses is expected to be material with respect to certain Funds.

The General Partners in good faith generally will allocate all expenses among the Parallel Funds of a particular Fund pro rata, which may result in some Fund investors bearing liabilities or expenses that do not benefit such Fund investors or provide a disproportionately greater benefit to other Fund investors, provided that expenses that a General Partner determines are specific to one or more of the Parallel Funds of a particular Fund may be allocated on a basis that such General Partner determines in good faith is fair and reasonable.

For the avoidance of doubt, subject to certain exceptions, all Parallel Fund partners generally bear costs and expenses incurred in connection with the formation and organization of the Parallel Funds, the marketing, offering and sale of interests in such entities (including, without limitation, the fees and expenses related to compliance with applicable securities and other laws, but excluding the fees or commissions of any third-party placement agent other than, in certain cases, any third-party placement agent), fees, commissions and expense reimbursements paid or made to intermediaries hired to comply with legal or regulatory requirements and the operating expenses of such entities, in each case pro rata based on the capital commitments of each such partner or, in the case of perpetual life vehicles, based on the respective interests in such Fund of each such partner; provided that to the extent that formation expenses and organizational expenses exceed an amount specified in the relevant Governing Agreements of a Fund, such excess is generally offset by a reduction to the management fees, as and to the extent set forth in the relevant Governing Agreements; provided,

that any fees or commissions payable to any such placement agents generally will be borne by Walton Street indirectly through an offset against the management fees and/or acquisition fees, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s). In accordance with the relevant Governing Agreements, allocations of appropriate or suitable investment opportunities between or among the Funds will be made by Walton Street on a basis it believes to be fair and equitable over time. Generally, pre-diligence, diligence and other costs and expenses related to an investment opportunity (including pre-diligence, diligence and other costs and expenses related to investment opportunities that ultimately are not acquired) are allocated between or among Funds (including Parallel Funds) based on which Fund(s) (including Funds in formation but not yet closed) pursued the investment opportunity. Certain pre-diligence expenses for investment opportunities considered by Walton Street for a Fund but not pursued will be allocated among Funds in a manner determined to be fair and reasonable, which may include using one or more of the methodologies described below. One of the methodologies for allocating certain pre-diligence expenses, including certain non-disclosure agreements relating to receiving information regarding potential investments that are entered into prior to conducting sufficient diligence to determine the Fund(s) for which the investment opportunities may be appropriate or suitable, are expected to be allocated across funds that are eligible to invest in such investment opportunities or for which such investment opportunities may be suitable based on such funds' available capital or invested capital, which may include the use of estimates and projections, as determined by the applicable General Partners.

Expenses with respect to a co-investment entity (and any feeder or other entities formed to facilitate a co-investor's participation in an investment) in which a Fund and a co-investor invest (whether such co-investor is a Fund investor or a third party), generally will be allocated pro rata based on the respective ownership percentages of such Fund and such co-investor, provided that expenses that Walton Street determines are appropriate to allocate on another basis (including those that it determines are specific to such Fund or such co-investor) may be allocated on a basis that Walton Street determines in good faith is fair and reasonable. Organizational and offering expenses with respect to a co-investment entity (and any feeder or other entities formed to facilitate a co-investor's participation in an investment) may be borne entirely by a Fund or partially by a Fund and/or a co-investor in Walton Street's sole discretion. In addition, expenses will be allocated to Fund investments from time to time and the impact of such allocation to a Fund will depend on such Fund's ownership percentage in such investment. To the extent that expenses are allocated to a wholly owned investment of a Fund or to investments in which a Fund has a higher relative ownership interest, such allocation will result in a Fund bearing a higher share of such expenses than would be the case if such expenses were allocated to other investments in which a Fund has a smaller interest.

Certain costs and expenses for products and services used in connection with the business of the Funds are incurred on an aggregate basis and therefore must be allocated among the Funds and Walton Street, as applicable. Such costs and expenses will be allocated among all applicable entities by Walton Street in a manner that it believes is fair and reasonable to all entities bearing such costs and expenses and the allocation methodology may be tailored depending on the nature of the cost or expense. The methodologies used by Walton Street to allocate such costs and expenses generally

include but are not limited to (i) allocating the expense based on the net invested capital, available capital, total insurable value, or type of assets in each Fund or the number of investors in each Fund, with or without a base allocation to Walton Street, a certain Fund or group of Funds, (ii) allocating the expense based on the number of applicable transactions attributable to each Fund and Walton Street, (iii) amortizing certain expenses to take into account expense shifting over time, (iv) allocating the expense equally among the applicable Funds and (v) combinations of the above. Subject to the factors described herein, the allocation of such expenses may not be proportional. In addition, because certain insurance protecting the Funds and the Funds' investments is incurred on an aggregate basis and covers the Funds, Walton Street and affiliates of Walton Street, including other Walton Street clients, the coverage maximums apply on an aggregate basis and therefore, losses experienced by one or more Funds, Walton Street, its affiliates and/or its clients may limit one or more Funds' ability to collect for its losses and in such cases would increase the expenses borne by such Funds.

As described herein, Walton Street generally expects that it will allocate costs and expenses, including the organizational expenses, operating expenses and liabilities, among all investors in a particular Fund pro rata based on such investors' capital commitments to such Fund or, in the case of perpetual life vehicles, their respective interests in such Fund, regardless of whether a particular cost or expense is incurred by or otherwise relates to the entity in which an investor invests, which may result in some investors bearing expenses that do not benefit such investors or provide a disproportionately greater benefit to other investors.

Please see the section titled "Advisory Board" under Item 12 for additional information regarding the Funds' Advisory Boards.

Please see the section titled "Brokerage Practices" under Item 12 for a description of Walton Street's trading practices.

7. Travel Expenses

The Funds will be responsible for incurring the cost of travel expenses related to Fund business. Such expenses generally include Walton Street and its affiliated persons' coach or economy class airfare for certain shorter duration domestic travel and, for other domestic flights and international destinations, business or first class airfare. In the event that the use of commercial airlines is not available or reasonable under the circumstances, travel expenses for Walton Street and its affiliated persons will include expenses for private transportation, including chartered airfare.

8. Joint Investments with Third Parties

As mentioned in the section titled "Advisory Business" under Item 4 above, Walton Street expects from time to time to invest assets of a Fund in other entities or pooled investment vehicles that specialize in particular real estate investments. In certain cases, such entities and other pooled investment vehicles are managed by unaffiliated third party managers; however, typically Walton Street would also have certain management rights including but not limited to approvals over major decisions. Joint venture partners or operating partners engaged by a Fund or General Partner may receive management fees, acquisition fees and/or incentive or other compensation for their services.

Under certain circumstances Walton Street may provide services, such as administrative, accounting, advisory or management services, to such entities or pooled investment vehicles, and/or to engage in service provider relationships with such entities, their affiliates, or persons associated with any of them. Generally, the fees for these services will be payable to Walton Street in accordance with each Fund's Governing Agreements; however, any incentive compensation arising from a joint investment that is not distributable to an unaffiliated third party generally will be payable to such Fund. In certain instances passive investors other than Fund investors may be admitted to such pooled investment vehicles that are partially owned by a Fund and that specialize in particular real estate investments. This Item 5 provides a description of other various services provided by Walton Street that are paid for by certain Funds.

As described under Item 4 above, Mexico Fund I has entered into certain co-investment arrangements with each Mexico Manager. Mexico Fund I receives one half of the carried interest generated in connection with the Retail Vehicle and the Industrial Vehicle and each Mexico Manager receives the other half of the carried interest. Walton Street provides services to the Mexico Managers in connection with their management of each such vehicle and receives one half of the management fee paid to each Mexico Manager by the applicable vehicle in consideration for such services, as further described above in this Item 5. Walton Street also provides certain advisory services to one of the Mexico Managers with respect to a separate industrial vehicle in exchange for a portion of such Mexico Manager's management fees and incentive compensation. See the section titled "Joint Investments with Third Parties" in Item 4 above for additional information.

9. Side Letters

Walton Street will enter into Side Letters or other similar arrangements with certain Fund investors that have the effect of establishing or otherwise benefiting such investor in a manner more favorable than the rights and benefits described in such Fund's other Governing Agreements. The rights and benefits set forth in such Side Letters include most favored nation status, certain economic terms, advisory board designations, capacity and co-investment opportunities, investment restrictions, reporting requirements and other information rights, redemption rights (including because of legal, tax, regulatory or similar considerations, or for other reasons), tax considerations, tax-related or other structuring or investment rights, provisions related to affiliated transactions and other terms and conditions. Rights and benefits that are more favorable in any material respect generally may be afforded to a limited partner based upon its commitment level or other criteria (including the participation of a limited partner in an earlier closing or a specified tranche of closings), and the same favorable rights and benefits may be extended to other limited partners in accordance with each respective Fund's Governing Agreements.

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

Please see the section titled "Incentive Compensation" under Item 5 above for a complete description of the performance based fees allocable to the Funds' General Partners. Walton Street generally receives a portion of a Fund's distributable proceeds as incentive compensation. The amount and terms of the incentive compensation that Walton Street is entitled to receive differs under the Governing Agreements for various Funds. As a result, Walton Street has a potential

conflict of interest in the allocation of an investment opportunity among those Funds that have capital available for investment and for which the investment might otherwise fall within their respective investment objectives. However, the potential for any such conflict of interest is limited by the terms of the Governing Agreements for the Funds, which require that a Fund must be substantially invested or committed for investment prior to Walton Street raising capital for another fund or separate account with investment objectives substantially similar to those of such Fund. In addition, to the extent that an investment may be appropriate or suitable for investment by more than one Fund that has available capital, the Investment Committee has adopted an investment allocation policy, as described in Items 8 and 12 below, that is designed to address any such conflict of interest.

Item 7 Types of Clients

Walton Street provides investment advisory services to the Funds and certain other investment vehicles and advisory clients described herein, which invest in equity and/or debt interests in real estate related assets and real estate operating companies. Investors in the Funds may include, but are not limited to, pension plans, endowments, foreign institutions, corporate and business entities, and foundations, trusts, and high net worth individuals. The Funds generally have minimum capital commitments for investors, as specified in the Governing Agreements for each respective Fund, which are negotiable by Walton Street. Each investor is required to meet certain suitability qualifications, such as being an “accredited investor”, a “qualified client” and/or a “qualified purchaser” within the meaning set forth under the federal securities laws; other real estate-focused Funds relying on the real estate exemption from registration under the Investment Company Act of 1940, as amended (the “Company Act”) in Sections 3(c)(5)(C) or 3(c)(6) of the Company Act or other regulatory approaches may be offered to investors with alternative qualifications, in each case as required by law.

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

Investment Analysis

Walton Street identifies potential investment opportunities for the Funds through a variety of sources and bases a portion of its investment analyses on information obtained from working with industry professionals such as consultations with operating partners, joint venture partners, property management and leasing professionals, lenders, brokers, and other professionals within the real estate sector.

The screening process for potential investments involves several steps, which vary depending on the type of asset being proposed for acquisition. Generally, a written summary is prepared describing the due diligence conducted on the proposed acquisition, and this summary is provided to the Investment Committee. The Investment Committee is comprised of the Managing Principals and certain Senior Principals.

The Investment Committee reviews and makes all of the investment decisions for the Funds. Approval of a majority of the members of the Investment Committee is sufficient to approve any such decision for the Funds. With respect to certain Funds subject to regulation in jurisdictions outside of the United States, additional approvals may be required.

If an investment is appropriate for more than one Fund of Walton Street (including existing funds, successor funds, new funds or other accounts), the Investment Committee allocates the investment in a manner consistent with the applicable Governing Agreements and Walton Street's obligation to allocate investment opportunities on a fair and equitable basis over time and based on investment considerations and other factors deemed applicable by Walton Street in its sole discretion, including, among other things, diversification considerations (both geographically and by type and size of investment), applicable investment restrictions, availability of committed capital, expected risk profile (including risk resulting from the intended repositioning strategy of the investment), expected cash flow, expected applicable returns, if the investment opportunity is a follow-on investment, the length of time such capital has been available for investment and the expected holding period, investment pacing, other applicable legal, tax and regulatory considerations and any other factors as may be included in Walton Street's Allocation Policy as updated from time to time. Such procedure will also apply when allocating investment opportunities between an existing fund and its successor fund. There can be no assurance that the application of the investment allocation procedure described above will result in any investment opportunity being allocated to all eligible Funds. Notwithstanding the foregoing, certain Funds may be granted exclusivity over investment opportunities considered appropriate or suitable for more than one Fund and in such case such investment opportunity will be allocated to the Fund having such exclusivity rights and, only if such Fund elects not pursue such investment opportunity for any reason (including, without limitation, diversification considerations, applicable investment restrictions or available capital), then such investment opportunity may be offered to another Fund. See Item 12, Brokerage Practices, Allocation of Investment Opportunities. Affiliates of Walton Street have formed, advised and/or sub-advised and may in the future form, advise and/or sub-advise investment vehicles or separate accounts to invest in Mexico and India and, as such, Walton Street generally does not expect, and has no obligation subject to the Governing Agreements of its other Funds, to offer investments primarily located (or secured by investments primarily located) in Mexico or India to its other clients. In addition, the Governing Agreements of certain Funds provide that certain enumerated investments are not within the obligations of those that need to be presented to such Funds. The same investment team at Walton Street may be responsible for more than one Fund. Walton Street's Investment Committee shall maintain documentation to support each allocation decision, including the documentation of any additional factors deemed applicable to such allocation decision.

Investment Strategies

Walton Street provides advice to the Funds to invest in equity and/or debt interests in real estate related assets and companies. The Funds generally invest their assets in or through various vehicles and structures, including but not limited to limited partnerships, private real estate investment trusts and limited liability companies that are structured for the purpose of holding or facilitating an investment in the underlying investments. Walton Street may participate in joint ventures with

unaffiliated third party entities in certain real estate transactions. Walton Street may also invest in limited partnerships or other pooled investment vehicles that specialize in real estate related assets including loan origination, loan servicing, and collateralized debt obligations.

Risk of Loss

Investments in the Funds involve a significant degree of risk and are generally illiquid. There is no assurance that any Fund will achieve its investment objective. Similarly, the investments made by the Funds are risky and illiquid. A Fund investor should not invest in a Fund unless the investor is able to withstand a total loss of its investment in such Fund. Even if the investments of a particular Fund are successful, they may not produce a realized return to Fund investors for a period of years. Investing in securities and other investments involves a risk of loss that the Funds and Fund investors should be prepared to bear.

Borrowings

Walton Street will cause the Funds to use leverage from time to time, for example in the form of debt financing to acquire and refinance investments. Each Fund has established limits with regard to the leverage that can be used, including the amount of recourse indebtedness, as provided in the Governing Agreements for such Fund. Debt service requirements may deplete or restrict a Fund's cash flows. Further, relatively small changes in the overall value of Fund investments may have a magnified impact on the equity value of a Fund. If a particular Fund Investment was unable to generate sufficient cash flow to meet principal and interest payments on the indebtedness incurred by such Fund relative to that Investment, the value of the Fund's investment in such portfolio Investment would be significantly reduced or even eliminated. In addition, the amount of debt financing may restrict the amount of funds available for distribution to Fund investors. Debt financing may be unsecured and subordinated to substantial amounts of senior indebtedness and Fund investments may not be protected by financial covenants. Walton Street may cause certain Funds to use leverage or otherwise to invest in an Investment in a manner intended to reduce the effect of upfront or ongoing costs, commissions or expenses, to the extent Walton Street believes these investment methods are appropriate for the relevant Funds in light of their investment objectives and/or expense ratios or other factors; these practices have the potential to expose such Funds to the risks discussed above and in the Governing Agreements.

In borrowing on behalf of a Fund, Walton Street is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when a Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest

sooner than it would without borrowing. In addition, when the Management Fee is calculated as a percentage of invested capital, a limited partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

Walton Street will effect such borrowings consistent with a Fund's Governing Documents and in a manner it believes to be fair and equitable under the circumstances to the relevant Fund.

Set forth below is a general list of risks applicable to the Funds. Investors should refer to each Fund's Governing Agreements for additional information and detail regarding the risks listed below and other risks that are applicable to a Fund.

- General Real Estate Investment Risks/Risky and Illiquid Investments
- Risk of Real Estate Investments
- Investment Prospects and Competition
- Debt Financing
- Restrictive Covenants Relating to the Fund's Operations
- Investments in Real Estate Debt
- Possible Lack of Diversification
- Unspecified Investments; Lack of Availability of Suitable Investments
- Development Risks
- Environmental Risks
- Harmful Mold and Other Air Quality Issues
- Uninsured Losses
- Risk of Bridge Financing
- Controlling Person Liability
- Expedited Transactions; Limited Information
- Risks of Multi-Step Acquisitions
- Possibility of Future Terrorist Activity
- Force Majeure Risk
- Third Party Involvement
- Litigation
- Financial Market Fluctuation
- Americans with Disability Act and Similar Laws
- Foreign Investments
- Currency and Exchange Rates; Hedging Policies
- Risks Relating to Fund Investment Terms; Lack of Operating History
- Limited Transferability of Interests in the Fund
- Reliance on the General Partner
- Reliance on Senior Management
- Failure to Make Capital Contributions
- Absence of Recourse to the General Partner

- Past Results Not Indicative of Future Results
- Projections; Opinions
- Investments Longer Than Term
- Determinations of Value
- Failure to Meet Targeted Returns
- Diverse Investors
- Mandatory Withdrawal
- Reinvestment
- Cash Distributions
- Contingent Liabilities on Disposition of Investments; Investor Giveback
- Target Capitalization
- Side Letters
- Regulatory Matters
- Unrelated Business Taxable Income
- Taxation in Foreign Jurisdictions
- Failure to Qualify as a REIT
- Tax Treatment of Effectively Connected Income
- Possible Legislative or Other Developments
- Conflicts of Interest
- Allocation of Investment Opportunities; Exclusivity
- Determinations by the General Partner
- Possible Joint Investments with Affiliates
- Certain Other Transactions with Affiliates
- Continuing Relationships
- Management of the Fund
- Dependence on Third Party Administrators
- Pipeline Investments
- Expenses
- Competition for Management's Time and Services
- Other Relationships
- Material Non-Public Information
- Cybersecurity
- Privacy
- Coronavirus and Public Health Emergencies
- Redemption Matters
- Uncertainty of Net Asset Value
- Feeder Vehicles

Item 9 Disciplinary Information

Walton Street and its employees have not been involved in any legal or disciplinary events in the past 10 years that Walton Street believes would be material to a client's evaluation of Walton Street's advisory business or the integrity of its management.

Item 10 Other Financial Industry Activities and Affiliations

See the section titled "Advisory Business" under Item 4 above for a description of Walton Street's role in providing advisory services to the Funds.

Walton Street Capital, L.L.C. is affiliated with other Walton Street investment advisers registered with the SEC under the Advisers Act pursuant to Walton Street's registration in accordance with SEC guidance. These affiliated investment advisers operate as a single advisory business together with Walton Street Capital, L.L.C. and serve as managers or general partners of private investment funds, separate accounts and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

Neil Bluhm, a minority owner of Walton Street, serves as President of JMB Realty Corporation ("JMB"). Until December 31, 2010, Mr. Bluhm owned a minority interest in JMB. As of that date, the interest was transferred to a family trust. In addition, Mr. Bluhm owns a minority interest in JMB Insurance Agency, Inc. ("JMB Insurance") which is expected to provide insurance brokerage services to the Funds for compensation not to exceed market rates. JMB owns minority interests in JMB Financial Advisors, LLC ("JMB Financial"), which may from time to time provide financing services to the Funds for compensation not to exceed market rates, and in 900FMS, LLC ("900FMS", and together with JMB, JMB Insurance and JMB Financial are collectively referred to as the "JMB Entities"), which may from time to time provide accounting and reporting services, including payroll, accounts payable, expense processing, cash management, reconciliation and related administrative services to the Funds for compensation not to exceed market rates. A conflict of interest could be presumed to exist between Walton Street and the JMB Entities because Mr. Bluhm or the family trust that owns interests in JMB could personally benefit if the Funds engage the services of the JMB Entities. The process for addressing any such potential conflicts of interest is described below.

Affiliates of JMB own the building where Walton Street leases its Chicago office space and provide certain human resources services and other offices services to Walton Street. The Funds do not pay for Walton Street's office space, such human resources services or other office services except for the overhead expense portion of the accounting, legal and reporting reimbursement, which includes the cost of office rent, such human resources services and other office services. (See the section titled "Accounting, Legal and Reporting Fees" under Item 5 for a description of the accounting, legal and reporting reimbursement.) Walton Street also holds the Annual Investor Meetings for certain Funds at the hotel located in the same building as Walton Street's Chicago offices, which is also owned by an affiliate of JMB (and may in the future hold such meetings at another location owned by a Fund or an affiliate of Walton Street). The Annual Investor Meeting is an expense of the Funds.

Although it is not currently expected that JMB will engage in new real estate investment ventures unrelated to its existing owned assets or otherwise not within the investment objectives of Funds within their Commitment Periods, JMB and its affiliates are presently engaged directly or through real estate investment partnerships and other entities in real estate investment and development. In the event of a conflict of interest between JMB and Walton Street (or a Fund), Mr. Bluhm would be required to act in a manner consistent with his fiduciary duties to both JMB and Walton Street, which may require Mr. Bluhm to recuse himself from dealings between Walton Street and JMB. Neither Walton Street nor Mr. Bluhm anticipates that any such conflicts of interest will arise.

With respect to certain matters under the Governing Agreements, Walton Street is required to obtain approval and/or report the amount of insurance paid through JMB Insurance to each respective Fund's Advisory Board, which is composed of representatives of investors in such Fund not affiliated with Walton Street. (Please see the section titled "Advisory Board" under Item 12 below for additional information regarding the Funds' Advisory Boards.) In addition, Walton Street generally obtains representation from a third party consultant to seek to ensure that JMB Insurance's services are rendered at market rates.

The Funds may engage JMB Financial to provide financing services for compensation not to exceed market rates and 900FMS to provide accounting and reporting services, including payroll, accounts payable, expense processing, cash management, reconciliation and related administrative services for compensation not to exceed market rates, and in each instance the transactions must be approved and/or reported to each respective Fund's Advisory Board. Walton Street also may engage 900FMS for similar services. The Funds and Walton Street each pay for their respective portion of the services rendered by 900FMS and such fees are not materially different for similar services.

Mr. Bluhm also has a family office, the entities of which are collectively referred to herein as "LAMB." LAMB has diversified direct and indirect holdings in equity and debt investments in publicly held entities, private fund investments, investment advisers, real estate interests and interests in various operating companies, including gaming entities. LAMB is an active investor in various gaming developments through Gaming Entities (as defined below) and may exercise control and/or take active positions in certain other types of investments. Mr. Bluhm is the manager and oversees all LAMB investments, but all investments made by LAMB are primarily owned by trusts, the beneficiaries of which are Mr. Bluhm's children and grandchildren (the "Bluhm Trusts").

LAMB is a significant investor in certain hedge funds. One hedge fund in which LAMB is invested is managed by an entity primarily owned by Mr. Bluhm's son (the "Hedge Fund"). The entities managed by the Hedge Fund primarily invest in long and short equity and debt positions of publicly traded companies. LAMB may also invest in and/or seed additional hedge funds and/or investment advisers in the future.

It is unlikely that investments suitable for LAMB or the Hedge Fund would also be suitable for the Funds since they have different investment objectives and limitations. However, a potential conflict of interest could arise because Mr. Bluhm may have the potential to personally benefit or cause his children or grandchildren or other family members to benefit from investments made by LAMB or the Hedge Fund in the event that such investments would have been appropriate for the Funds. This

potential conflict is addressed through Walton Street's policies and procedures and governing documents for the Funds, which require that Walton Street and each of its principals present any investment opportunities suitable for investment for one of the Funds to Walton Street's Investment Committee and that, subject to the Investment Committee's determination and any investment limitation in the Fund documents, each such investment be made for the account of that Fund. The compliance staff of Walton Street and LAMB meet periodically. The goal of such meetings is to seek to identify and mitigate potential conflicts of interest among Walton Street and LAMB.

Employees of Walton Street may have family members and/or friends that are employed with, or are otherwise affiliated with, entities that provide services or engage in business transactions with Walton Street and/or the Funds. Examples of such relationships may include entities that are the Fund investors, joint venture partners, operating partners, real estate or securities brokers, lenders, and/or tenants in buildings owned by the Funds. Employees are required to report certain relationships to the Compliance Department.

Investors should also refer to each Fund's annual and quarterly reports for additional information regarding related party transactions that may be effected from time to time.

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

Code of Ethics

Walton Street has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Advisers Act.

This Rule requires Walton Street to adopt a Code of Ethics that sets forth a standard of business conduct and compliance with federal securities laws by all of its employees. Walton Street's Code of Ethics contains policies and procedures that require the following: (i) pre-clearance before purchasing real estate related securities, or any securities in initial public offerings or private placements; (ii) periodic reporting of employees' personal securities transactions and holdings; and (iii) prompt internal reporting of any violations of the Code of Ethics.

Walton Street will provide a copy of its Code of Ethics to clients or prospective clients, upon request. Please contact Allison McDowell by telephone at (312) 915-2808 should you have any questions concerning the Code of Ethics or wish to obtain a copy.

Investments in Gaming Entities

Mr. Bluhm and the Bluhm Trusts own interests in, and control and/or manage entities that currently or in the future will own, develop, operate, oversee or manage gaming facilities, including other mixed-use properties related to such gaming facilities (collectively, such existing entities and any such entities that may be formed in the future, the "Gaming Entities"). For the avoidance of doubt, the Gaming Entities include internet gaming and other gaming that occurs outside of a physical property. None of the Gaming Entities has any principal, director, officer, or employee other than

Mr. Bluhm who is engaged in the Funds' or Walton Street's business or operations. Neither Mr. Bluhm nor any of the Gaming Entities are obligated to present any opportunities to own, develop, oversee or manage gaming facilities (including any properties related to such gaming facilities) to the Funds. Certain of the Funds and Mr. Bluhm's related Gaming Entities expect to pursue, on an independent basis, investment opportunities within the gaming industry. Walton Street's other principals (related persons) may invest personally on a passive basis in investments made by the Gaming Entities. In the future, if a Fund acquires additional interests in other gaming facilities or other properties related to gaming facilities, such Fund may, but will be under no obligation to, venture with one or more of the Gaming Entities or may engage one or more of the Gaming Entities to manage or oversee such facility or property on terms that Walton Street determines in good faith are not less favorable than those reasonably available from other third-party operators of gaming facilities and related properties within the same geographic region. Any such transaction engaged in with a Gaming Entity will be disclosed to the Advisory Board of the applicable Fund.

In 2008, entities wholly owned by certain Funds, entities controlled by the Bluhm Trusts, and certain employees of entities controlled by the Bluhm Trusts formed a joint venture with certain third-party investors to purchase the majority of a casino project in Pittsburgh, Pennsylvania. These parties also control an entity that, together with a Gaming Entity, provides oversight and advice with respect to the operation of the casino (the "Oversight Entity").

Co-Investment Opportunities

Employees and/or related persons of Walton Street may participate in co-investment entities that invest in real estate assets that are related to investments of the Funds. The Governing Agreements for certain Funds provide for the terms by which the investors may be allowed to co-invest with that Fund in real estate assets. Those terms generally provide that to the extent Walton Street elects to offer any opportunity to co-invest with a Fund to the investors of that Fund (including affiliates of Walton Street), Walton Street must offer any such co-investment opportunities to such investors pursuant to the terms of such Fund's Governing Agreements. The Governing Agreements generally provide that a co-investment opportunity is one Walton Street elects to offer to such persons because investment limitations, lack of available capital, applicable law or Fund objectives (including diversification requirements) limit the amount such Fund would otherwise invest in such investment opportunity as determined in good faith by Walton Street in its sole discretion.

Investments in Management or Service Companies

A Fund investment, or an investment by the principals of Walton Street, may consist of a loan or an interest in a property management or other service company. A Fund may engage such property management or service company to provide services on behalf of a related Fund investment in accordance with the terms of the applicable Governing Agreements, which may require that the terms are not less favorable than those reasonably available from other third-party property management or other service companies within the same geographic region as determined by Walton Street or that Walton Street determines that the terms are fair and reasonable to the Fund. Any such transaction will be disclosed to the Advisory Board of such Fund.

For example, a Fund has an interest in Century Golf Partners Management, L.P., a golf management company that provides services for the golf related investments held by such Fund and certain other

Funds that may acquire any golf related assets. Certain Funds also hold an interest in Grupo Hotelero Sante Fe (“GHSF”), a Mexico-based hotel management company that provides hotel management services to the Mexico-based hotels held by such Funds and certain other Funds that may acquire hotel properties in Mexico.

Certain of the Funds, together with a Sidecar and an affiliate of Walton Street, are minority shareholders in Shriram Properties Private Limited (“Shriram Properties”), a real estate development group in India. These entities also have the right to appoint two directors to the board of directors of Shriram Properties and have approval rights over certain significant decisions to be taken by the board of directors of Shriram Properties. A Fund may invest in one or more projects which are being developed by Shriram Properties, subject to the discretion of Shriram Properties and Walton Street, as applicable.

The use of affiliates of Walton Street in connection with services provided to the Funds as described above and in Items 4, 5 and 10 raises potential conflicts of interest in that there may be an incentive for Walton Street to favor affiliates over more qualified service providers, not to terminate such affiliated service providers and/or to otherwise not treat such affiliated service providers on an arm’s length basis.

Personal Investments

Walton Street and its principals have made personal investments in the Funds alongside the investors. As previously described, Walton Street receives incentive compensation from the Funds. Affiliates of the General Partners may pay no or reduced management fees, acquisitions fees or incentive compensation in connection with their investments in the Funds.

Employees of Walton Street may invest personally in real estate-related investments subject to the restrictions of Walton Street’s Code of Ethics and the Governing Agreements of the Funds.

Additionally, Walton Street, its affiliates and/or personnel maintain relationships, including professional or personal relationships, with financial institutions, service providers, operating partners, joint venture partners and other market participants, including managers of private funds, banks and brokers (collectively, “Third Party Providers”). Certain of these Third Party Providers, their affiliates and/or personnel will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Walton Street, its affiliates, personnel and/or the private funds or other investment vehicles advised by Walton Street (including the Funds). In addition, Walton Street, its affiliates and/or personnel may invest (or may be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to certain Third Party Providers, their affiliates, personnel and/or their private funds or other investment vehicles they advise. Walton Street, its affiliates and/or personnel may have a conflict of interest with a Fund in recommending or making decisions regarding the retention or continuation of a Third Party Provider to such Fund if such recommendation, for example, is motivated by a belief that the Third Party Provider, its affiliates and/or personnel may be more likely to continue to invest in one or more of Walton Street’s and/or its affiliates’ private funds, allow Walton Street, its affiliates and/or personnel to continue to invest with the Third Party Provider, provide Walton Street, its affiliates and/or personnel with information about markets and

industries in which Walton Street and/or its affiliates operate (or is contemplating operations) or provide other services that are beneficial to Walton Street, its affiliates and/or its personnel. Walton Street and/or its affiliates may have a conflict of interest in making such recommendations or decisions.

From time to time, employees of Walton Street and persons selected by them expect to receive the benefit of “friends and family” and similar discounts while staying at properties owned by the Funds while traveling for business or personal reasons. Because such properties generally offer such discounts to customers other than employees of Walton Street and persons selected by them as part of their standard commercial practices in an effort to expand their respective customer bases, Walton Street believes that the potential for conflicts of interest relating to such discounts is mitigated. Discounted prices or better terms offered by a Fund-owned property to employees of Walton Street or any other third parties have the potential to affect the returns of the applicable investment. Employees are prohibited from requesting and/or accepting accommodations by Fund-owned properties that are free of charge to the employee, while traveling on personal time.

Employee Rights

Walton Street recognizes the significant contributions of the employees that are employed by the Funds and/or their respective subsidiaries. Walton Street endorses the position that a fairly compensated and well-trained workforce will provide high quality services to the Funds and their subsidiaries and thereby enhance the value of the Funds’ investments. Walton Street respects the rights of employees to choose whether to be represented by a union and believes that employees should be able to make such decision in an environment that is free of harassment or intimidation and that fosters a fair and open process resulting in a fully-informed choice by employees. In such regard, Walton Street acknowledges and agrees that each Fund will comply with all of its legal obligations in any union organization process with respect to employees employed by a Fund and its subsidiaries, and will otherwise act in a manner designed to protect and uphold such employees’ rights. If such employees vote to unionize as prescribed by law, the General Partner will cause such Fund and its subsidiaries to negotiate in good faith, and in accordance with its fiduciary obligations as the general partner of such Fund, to reach a collective bargaining agreement with the elected union.

Item 12 Brokerage Practices

Client Referrals

Walton Street engages placement agents from time to time. However, such placement agents do not effect transactions in real estate or publicly traded securities on behalf of the Funds.

Best Execution

When selecting a real estate broker, Walton Street will consider numerous factors and criteria with the overall objective of selecting a broker who will efficiently and effectively market the asset for sale and maximize returns for the Funds. Examples of the criteria used include the following: the

broker was helpful or instrumental during the acquisition and/or consulting process during the asset management phase; the broker represented the seller during the purchase of the asset and is already familiar with the property and/or the structure of ownership; access to decision makers for a likely capital source; ability to run the bidding process to maximize the return on investment to a Fund; knowledge and experience with the local market, type of asset and/or structure; complexity and size of the transaction; past performance in representing Walton Street or others on similar deals; presence of a strong local investment sales team assigned to the engagement; venture partner input or predisposition to use a particular broker; the broker's efficiency and professionalism in the preparation and distribution of marketing materials relevant to the engagement; overall allocation of business to a variety of qualified brokers that can meet Walton Street's needs; and the fee structure for the engagement.

With respect to Fund transactions in publicly traded securities (if any), Walton Street will select broker-dealers based on its fiduciary duty to seek best execution. Numerous factors and criteria will be used when evaluating brokers. Examples of the criteria used include but are not limited to the following: overall price; availability and liquidity of a security (*e.g.* for a fixed income security, the use of a broker-dealer that makes a market in a particular issuer); quality of research provided; trading expertise; reliability; maintaining confidentiality; frequency of errors; and reputation.

Walton Street is responsible for the placement of Fund transactions and the negotiation of any commissions paid on such transactions. If applicable, securities, will generally be purchased through brokers on securities exchanges or directly from the issuer or from an underwriter or market maker for the securities. Purchases of securities through brokers involve a commission to the broker. Purchases of securities from dealers serving as market makers include the spread between the bid and the asked price. The Funds are responsible for paying any commissions or other fees with regard to any security transactions effected on behalf of the respective Fund.

When participating in currency and interest rate hedging transactions, Walton Street and the Funds generally use a third party vendor to provide quotes from multiple counterparties. Fund transactions are executed with the broker-dealer, bank, or other counterparty with the intent of seeking "best execution" for the Funds. Brokers, banks, or other counterparties are generally selected on the basis of price and transaction expertise.

The Funds are responsible for paying all expenses associated with executing transactions in securities and hedging transactions. While the use of a third party vendor to obtain quotes and negotiate transactions will increase the cost of the transaction in excess of the amount that the Funds might be able to achieve directly, these services along with other account related or accounting assistance services are considered by Walton Street to be a valuable service for the Funds.

Soft Dollars

Walton Street receives real estate market data research from real estate brokers. Walton Street also uses the services of those real estate brokers to buy or sell real estate investments for the Funds. Walton Street and/or the General Partners do not have any formal soft dollar arrangements to compensate the brokers for the research that is provided. Walton Street and/or the General Partners may receive real estate-related research and market data from third party service providers. The

Funds will bear the expense for the research obtained from such third parties.

Trade Aggregation

The Funds rarely invest in any publicly traded securities. If a Fund transacts in a publicly traded security, due to exclusivity provisions and the fact that Walton Street generally commits to investments for a Fund during its respective commitment period for calling investor capital commitments, it generally would not be practicable to aggregate transactions with another Fund.

Allocation of Investment Opportunities

Walton Street recognizes its fiduciary duty to act in the best interests of the Funds and Walton Street evaluates investment opportunities to determine whether they are appropriate or suitable for one or more Funds. Walton Street and its affiliates advise and manage, and in the future will continue to advise and manage, Funds that may have investment guidelines substantially the same or similar in whole or in part as those of an existing Fund. Subject to the below, in the event that an investment opportunity would be considered appropriate or suitable for more than one Fund (including existing funds, successor funds, new funds or other accounts), the Investment Committee will make the allocation decision on a majority basis consistent with the applicable Governing Agreements and Walton Street's obligations to allocate investment opportunities on a fair and equitable basis over time and based on investment considerations and other factors deemed applicable by Walton Street in its sole discretion, including, among other things, diversification considerations (both geographically and by type and size of investment), applicable investment restrictions, availability of committed capital, expected risk profile (including risk resulting from the intended repositioning strategy of the investment), expected cash flow, expected applicable returns, if the investment opportunity is a follow-on investment, the length of time such capital has been available for investment and the expected investment holding period, investment pacing, other applicable legal, tax and regulatory considerations and any other factors as may be included in this policy as updated from time to time. Such procedure will also apply when allocating investment opportunities between an existing fund and its successor fund. There can be no assurance that the application of the investment allocation procedure described above will result in any investment opportunity being allocated to all eligible Funds. Notwithstanding the forgoing, certain Funds may be granted exclusivity over investment opportunities considered appropriate or suitable for more than one Fund and in such case such investment opportunity will be allocated to the Fund having such exclusivity rights and, only if such Fund elects not pursue such investment opportunity for any reason (including, without limitation, diversification considerations, applicable investment restrictions or available capital), then such investment opportunity may be offered to another Fund. Affiliates of Walton Street have formed, advised and/or sub-advised and may in the future form, advise and/or sub-advise investment vehicles or separate accounts to invest in Mexico and India and, as such, Walton Street generally does not expect, and has no obligation subject to the Governing Agreements of its other Funds, to offer investments primarily located (or secured by investments primarily located) in Mexico or India to such other Funds. In addition, the Governing Agreements of certain Funds provide that certain enumerated investments are not within the obligations of those that need to be presented to such Funds. The same investment team at Walton Street may be responsible for more than one Fund. Walton Street's Investment Committee shall maintain documentation to support each allocation decision, including the documentation of any additional factors deemed

applicable to such allocation decision. Walton Street manages certain Funds that under certain circumstances may invest together and such decision is subject to the sole discretion of Walton Street and the Funds' investment limitations, availability of capital and/or any applicable legal, tax and regulatory considerations.

Walton Street will not make investments in Mexico outside the second MX CKD that are within such MX CKD's investment objectives in accordance with such MX CKD's Governing Agreements. The Debt Funds are expected to target debt investments with different characteristics than debt investments that would fall within other Funds' investment objectives. Debt investments will be allocated to either a Debt Fund or another Fund based on the investment objectives of such Funds. A Walton Street affiliate ("WSC India") provides services to the manager (the "India Manager") of an India vehicle (the "India Vehicle") which invests in securities of companies engaged in the construction and development of real estate in India in connection with the India Manager's management of the India Vehicle. Until the earlier of the expiration or termination of the commitment period of the India Vehicle and the first date on which the India Vehicle is 75% committed for investment, WSC India will offer to the India Manager for investment by the India Vehicle transactions sourced by WSC India that fit certain investment criteria. Walton Street currently manages, and may consider managing, separate accounts in the future. It is anticipated that such separate accounts, if any, will target real estate-related investments with different characteristics than real estate-related investments that would fall within the Funds' investment objectives investments or that are otherwise not appropriate or suitable for the Funds (e.g., because investment limitations, lack of available capital, applicable law or Fund objectives (such as diversification requirements) limit the amount a Fund would otherwise invest in such investment opportunity) as determined in good faith by Walton Street.

Trade Errors

In the event that a Fund incurs a trade error solely as a result of Walton Street's gross negligence, willful misconduct, or fraud, such error is to be corrected by Walton Street as soon as practicable and in a manner such that such Fund incurs no loss. Trade errors that result other than by breach of care stated above will be borne by the relevant Fund. To the extent that any gains arise from a trading error and as such are received by a Fund, then such gains will be retained by that Fund.

Cross Transactions

Walton Street generally does not cause the Funds to engage in any cross transactions. In the event that Walton Street does so, Walton Street will first consider and determine that the transaction is in the best interests of both participating Funds. Walton Street will obtain consent from the Advisory Boards or the limited partners of the Funds engaging in such cross transaction, to the extent deemed necessary or appropriate.

Transactions with Limited Partners and Affiliates

The Funds have in the past, and may in the future, enter into transactions with a limited partner or its affiliates (whether as a buyer, seller, lessor, lessee, manager, broker, agent, trustee, provider of services, or otherwise). Neither a Fund nor any partner shall have, as a consequence of this relationship, any rights in or to any income or profits derived from such transaction or relationship.

Advisory Board

To the extent provided for in the Governing Agreements, certain Funds have Advisory Boards. The Advisory Boards are established to review and resolve certain conflicts of interest between Walton Street and the respective Fund presented to it by the applicable General Partner. Generally, a majority of the members serving on each Advisory Board must not be affiliated with Walton Street. Certain co-investment vehicles rely on consents provided by the relevant Fund's Advisory Board.

Item 13 Review of Accounts

Review of Fund Portfolios

Walton Street's Acquisitions group meets on a periodic basis to discuss new investment opportunities that should be presented to the Investment Committee. The investment positions and assets within the Funds' portfolios are monitored and reviewed by personnel of Walton Street's Asset Management group on a daily and/or weekly basis or as necessary. The Investment Committee meets whenever needed to review and approve of any investment decisions for the Funds. The members of the Investment Committee are described in Item 8 above.

Fund Reporting

The Governing Agreements of the Funds provide for certain written reports to investors.

The following reports are generally provided to investors within 60 days after the end of each quarter and generally contain the following information: (i) statement of changes in the Funds' unaudited net asset value ("UNAV"); (ii) a status report on Fund assets; and (iii) a description of the performance of Fund assets. Investors also receive a capital account statement to show the value of their interests in the applicable Fund. UNAV values differ from GAAP as further described under Valuation Methodology below. GAAP Financial Statements will continue to be presented as provided for in the Governing Agreements for each Fund. On a quarterly basis, investors in the Funds are also generally provided with unaudited financial statements that generally include the following information: (i) a balance sheet; (ii) a statement of income or loss; (iii) statement of partners' capital; and (iv) a statement of cash flows.

Within 120 days of the end of the fiscal year, investors in the Funds where Walton Street is determined to have custody will also receive copies of annual audited financial statements prepared in accordance with GAAP that generally include the following information: (i) auditors opinion; (ii) balance sheet; (iii) statement of income or loss; (iv) statement of partners' capital; (v) statement of cash flows; and (vi) notes to the financial statements.

In addition to or in lieu of the foregoing, Funds regulated outside the United States distribute reports and prepare statements in accordance with the requirements of local regulations and market practices or as may be further provided in the relevant Governing Agreements.

Walton Street also distributes special reports and/or statements to investors, upon specific request. The special reporting varies by the format in which an investor would prefer to receive our information (e.g., using a specific template or questionnaire).

Valuation Methodology

In accordance with the Governing Agreements of each Fund, all closed-end Fund investments are measured for value increases or decreases at the end of each quarter. Valuations are typically completed using an unleveraged (free and clear) discounted cash flow methodology, and may incorporate the use of different hold periods, capitalization and discount rate assumptions and other factors including debt maturities, market comparables, replacement costs, appraisals or other third-party data. Changes in valuation assumptions and methodology for underlying investments are made from period to period at the discretion of the General Partners. The valuations are prepared in good faith by the General Partners, but should not be regarded as a representation or guarantee that any specific investment will achieve any particular performance or could be sold for any particular value. The actual realized values and returns from unrealized investments may differ materially from the General Partners' estimated values and projections. Certain differences may exist between UNAV and GAAP Financial Statements due to the requirements of GAAP Financial Statements and Walton Street's determination of the appropriate fair values. These differences include, but are not limited to timing or recognition differences between UNAV and GAAP Financial Statement preparation, audit adjustments and non-economic GAAP adjustments. Perpetual life vehicles may have different valuation methodologies, including, without limitation, more frequent valuations and differing use of third parties such as valuation agents and appraisers.

Item 14 Client Referrals and Other Compensation

Additional Compensation

The Funds may act in conjunction with developers or outside investors for competitive or strategic reasons or for other reasons that Walton Street determines will benefit the Funds, including forming joint ventures or other arrangements. Such third parties may venture with the Fund and Walton Street and may receive compensation in connection with arranging and managing such ventures. Any incentive compensation received by Walton Street in connection with joint ventures between the Funds and such third parties will be distributed to the Funds. Walton Street will retain any acquisition, financing and management fees received in connection with joint ventures between the Funds and such third parties.

Client Referrals

Walton Street may periodically engage third-party placement agents and/or solicitors to introduce prospective investors for the Funds. Except as otherwise provided for in the Governing Agreements for the Funds, the fees and expenses of any third-party placement agents and/or solicitors generally will be paid by the Funds, but will be reimbursed by Walton Street by offsetting its fees.

Business Entertainment

Walton Street's Sponsorship of and Participation in Events

In order to provide the quality of services that the Funds and investors expect, it is necessary for Walton Street to establish, maintain and enhance relationships with Fund investors and prospective Fund investors, as well as various professionals in the real estate investment and management business, such as attorneys, consultants, investment brokers, investment bankers, building leasing agents and tenant representatives, lenders, developers, venture and operating partners and other service providers and investment professionals (together, the "Real Estate Industry"). Establishing meaningful and long-term relationships in these and other areas within the Real Estate Industry are critical to Walton Street in identifying diverse strategies and sourcing investment opportunities for the Funds, as well as efficiently underwriting, financing, leasing, managing and disposing of Fund assets. Walton Street and the Real Estate Industry value important and long-standing relationships, and as such, Walton Street and its employees may invite those within, and are frequently invited to participate in activities sponsored by, the Real Estate Industry that could be considered lavish entertainment, such as sporting events, concerts, golf and other outdoor outings and other recreational activities (collectively, "Events"). Walton Street recognizes that many in the Real Estate Industry similarly put efforts forth to establish, maintain and enhance their relationships with organizations competitive to Walton Street.

The meals, travel and accommodations for many, but not all, Events may also be paid by Walton Street or such Real Estate Industry third parties including private airfare and accommodations at upscale locations. In addition, the properties owned by the Funds may also sponsor Events, in which employees of Walton Street may attend in an effort to generate marketing opportunities for renting/leasing available space in such properties or otherwise. The primary benefits Walton Street and the Funds receive from Walton Street's sponsorship and participation in these Events is to originate and further strengthen our relationships within the Real Estate Industry. Walton Street believes that working to have such relationships is important towards ensuring that Walton Street is provided with the opportunity to capitalize upon active sources of deal flow and investment opportunities, as well as to receive critical and reliable services and information. While Walton Street believes employee sponsorship and participation in these Events is beneficial to the Funds for the reasons described above, Walton Street's subsequent selection and retention of such Real Estate Industry service providers could be viewed as a form of reimbursement for attending such Events. Walton Street recognizes and acknowledges our fiduciary duty to the Funds. As such, no such Events or activities sponsored or received by Walton Street are permitted to influence our due diligence process in the acquiring, underwriting, financing, managing, leasing and selling of real estate investments or fulfilling our fiduciary duty to the Funds. Walton Street requires its employees to report their planned sponsorship of and participation in certain Events, depending on the nature of such Events, for review. Walton Street monitors such reporting and determines on a case-by-case basis whether an employee's sponsorship of or participation in an Event is (i) warranted and the expenses may be paid by third parties, (ii) warranted but the expenses must be paid by Walton Street or the participating Employee, or (iii) the sponsorship of or participation in the Event is not warranted.

Property Incentive Programs

Walton Street and/or entities hired by Walton Street (such as property management or leasing service providers) will periodically sponsor incentive programs for unaffiliated third parties, primarily for real estate brokers and leasing agents. The programs are designed to incentivize the brokers and/or leasing agents to generate interest in obtaining tenants to occupy vacant space in properties owned by the Funds. The incentive programs are designed primarily to benefit the Funds by securing leases as quickly as possible to generate revenue at the properties owned by the Funds. The incentive programs may include items such as meals, gifts, gift cards, vacation accommodations, and other items. The incentive programs are paid for as part of the marketing budget for each property. Since these expenses are paid by the individual property, the Funds will indirectly bear the cost of these programs.

Item 15 Custody

The Funds' General Partners are affiliates of Walton Street and therefore Walton Street is generally considered to have custody of client assets. The Funds are audited annually and the audited financial statements, which are generally prepared in accordance with generally accepted accounting principles, are distributed to the Funds' investors within 120 days of the Funds' fiscal year end. Fund investors should carefully review the Funds' audited financial statements.

Item 16 Investment Discretion

Walton Street has investment discretion over the Funds' assets, in accordance with each Fund's respective offering documents and Governing Agreements. The Funds' General Partners are affiliates of Walton Street.

Each Fund's Governing Agreements and offering documents generally set forth certain limitations with respect to the management of such Fund and the activities of Walton Street, among others. Fund investors may enter into Side Letter agreements with Walton Street, as described in the section titled "Side Letters" under Item 5 above. These agreements may have the effect of limiting certain of Walton Street's activities.

Item 17 Voting Client Securities

In accordance with its fiduciary duty to the Funds and Rule 206(4)-6 of the Investment Advisers Act, Walton Street has adopted and implemented written policies and procedures governing the voting of Fund portfolio securities.

Walton Street is periodically required to execute proxies in foreign jurisdictions at shareholders' meetings as required by foreign laws. In most, but not all cases, these are foreign entities that were established to own real estate assets in foreign countries and these entities are generally majority owned by the Funds. These types of proxies generally require the approval of financial statements,

capital calls, capital distributions, and other items. Upon notification of a shareholder meeting, Walton Street designates a representative to attend the shareholder's meeting and submit Walton Street's vote in person. Walton Street instructs the designated person to vote in the best interest of the Funds and in accordance with our fiduciary duty to the Funds. If Walton Street determines that it is facing a material conflict of interest in voting a proxy, Walton Street will obtain recommendations from the applicable Fund's Advisory Board, or an independent third-party, to provide an independent recommendation on the direction in which Walton Street should vote. The determination by the third-party will be binding on Walton Street.

Walton Street maintains a record of any proxy votes executed on behalf of the Funds. Investors in the Funds may contact Walton Street to obtain a copy of Walton Street's proxy voting policy or to obtain information with respect to any specific proxy votes submitted on behalf of the relevant Fund.

Item 18 Financial Information

Walton Street is not aware of any financial condition that it believes is expected to affect its ability to meet contractual commitments to the Funds.