

# DRA Advisors LLC

## Part 2A of Form ADV

### Firm Brochure

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Updated: March 2020

This brochure provides information about the qualifications and business practices of DRA Advisors LLC (the “Company”). If you have any questions about the contents of this brochure, please contact us at 212-697-4740. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration as an investment adviser does not imply any level of skill or training.

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

## **Item 2 – Material Changes**

This brochure, dated March 2020, has been prepared by the Company as an annual amendment to the prior version of its Brochure, dated March 2019. The Company's business activities have not changed materially since the time of that update, but this brochure has been updated to provide additional detail on certain aspects of the Company's personnel and related persons, as well as certain new and existing business activities of the Company and its clients (such clients, which include pooled investment vehicles, are sometimes referred to herein as "Funds").

In 2019, the Company created four new Fund GPs (as defined below), Manageco Ranger-G LLC, Manageco Ranger-K LLC, Ranger Industrial Asset Manager LLC and Manageco X, LLC. By the end of 2019, Manageco CARS-G Co Investment LLC was fully liquidated and dissolved.

The Company also retired two senior partners, Brian T. Summers and Paul McEvoy, as of December 31, 2019. Both former partners have continued their interests in the following Fund GPs: Manageco VI LLC, Manageco VII LLC, Manageco VIII LLC, Manageco VIII-I LLC, Manageco IX LLC and Manageco IX Co-Invest, LLC. Neither Brian nor Paul has an interest in any of Manageco Ranger-G LLC, Manageco Ranger-K LLC, Ranger Industrial Asset Manager LLC or Manageco X, LLC. It was reported last year that the newest partner, Brett Gottlieb, did not have an interest in any of the Fund GPs; however, that has now changed. Brett Gottlieb now has an interest in Manageco Ranger-G LLC, Manageco Ranger-K LLC, Ranger Industrial Asset Manager LLC and Manageco X, LLC.

## **Item 3 – Table of Contents**

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

## **Item 4 – Advisory Business**

In general, the Company engages in the business of providing investment advisory services relating to the acquisition, management and disposition of real estate and real estate related investments, which advisory services include: (i) rendering advice with respect to direct and indirect investments in real estate and real estate related assets; (ii) providing advice regarding the financing and structure of real estate investments; (iii) rendering advice regarding debt refinancing and/or restructuring in connection with real estate investments; (iv) providing investment management decisions with respect to the formation and management of real estate investment trusts; (v) advising clients regarding purchase and/or sale of mortgages, including ongoing evaluation of investments in and obligations relating to those mortgages; and (vi) providing cash management services with respect to clients' investments, including, but not limited to, investments in bank certificates of deposits, investment grade commercial paper, and U.S. Treasury securities. In addition, the Company, from time to time, participates in, either on a principal or agency basis, the formation and sale through private placements or public offerings of interests in limited partnerships or other entities formed for the primary purpose of acquiring real estate related investments. To the extent the Company acts as a principal in connection with such transactions, no interest in any such entity would be sold to a client without disclosing to such client in writing before the completion of any such transaction the capacity in which the Company is acting and obtaining the client's consent to such transaction.

The Company has full discretionary authority with respect to investment decisions, and its advice with respect to the Funds is tailored according to the investment objectives, guidelines, and requirements as set forth in each Fund's respective offering memoranda and advisory agreement. A mandate of each Fund is to invest primarily in real estate and real estate-related investments.

The Company has been in business since 1986, and has been registered with the SEC as an investment adviser since 1994. The Company is primarily owned by DRA Holdings LLC. DRA Advisors, Inc. owns approximately 66.4% of DRA Holdings, LLC. David Luski is a principal owner of DRA Advisors, Inc. As of December 31, 2019, the Company advised approximately \$13,840,561,938 in regulatory assets under management ("RAUM") on a discretionary basis for 11 private pooled investment vehicles.

## **Item 5 – Fees and Compensation**

The Company's fees are generally negotiable, taking into consideration the nature of the representation and anticipated investment advisory services for a client. In this regard, the Company typically charges an asset management fee at an annual rate ranging from 0.6 to 0.9% of the gross acquisition cost of the assets and securities under management. Clients co-investing with existing Funds, or investing on a separate account basis, may be subject to alternative and/or reduced fee structures on a case-by-case basis. The asset management fee is computed and payable quarterly in arrears, commencing with the calendar quarter in which the first investment is made by a client. Generally, all fees are deducted directly from client bank accounts.

The Company may charge a capital markets fee of up to 0.5% based on gross proceeds of the sale

or financing of real estate assets, and has charged such fees in the past. Furthermore, the Company in some transactions is reimbursed for, among other things, organization and offering expenses incurred by it with respect to any pooled investment vehicles (including limited partnerships and/or limited liability companies) or other entities sponsored or advised by the Company. Transaction-based fees may present a conflict of interest in that they may be viewed as giving the Company an incentive to purchase investments based on the transaction-based compensation received. The Company has adopted and implemented written compliance policies and procedures that are designed to address the above conflicts of interest.

As fully described in each Fund's offering documents, each Fund bears expenses related to its operations, including, without limitation, organizational costs, normal operating costs and administrative expenses, and investment-related expenses. Normal operating costs and administrative expenses may consist of, but may not be limited to, the following: expenses incurred in connection with obtaining and negotiating any credit facility, monitoring real estate investments and each Fund's normal record keeping and reporting, including, but not limited to, entity-level taxes, travel and other out of pocket expenses incurred by the officers and employees of the Company's affiliates in connection with the evaluation, negotiation, acquisition, operation, maintenance, improvement, leasing or sale of proposed or existing real estate investments, but shall specifically exclude internal expenses of each Fund GP, including compensation, payroll taxes and related employee costs, rent and other overhead expenses of each Fund GP and its affiliates. Investment and other costs may include, but are not limited to, the following: all reasonable out of pocket and third party costs and expenses, including travel expenses, incurred in connection with seeking and negotiating real estate investments and in consummating real estate investments and custodial fees relating to the holding of real estate investments, the compensation (including performance-based incentive fees) of joint venture partners and/or third-party operating partners, appraisers' costs, the cost of a Fund's annual audit, and all extraordinary Fund expenses, including the costs of amendments, if any, to the offering and organizational documents of any Fund, all costs and expenses of the Members' Board, and including all costs and expenses, including attorneys' fees and litigation costs, incurred in investigating, defending and settling any claim, investigation, action or proceeding against or involving a Fund or incurred in the protection or assertion by a Fund of any of its rights.

In addition, the Company may organize special purpose vehicles on behalf of clients for the purpose of (a) making certain investments, including on a joint-venture basis and/or (b) incentivizing and compensating operating partners. Each special purpose vehicle may be directly or indirectly and wholly- or partially-owned by a client. Such special purpose vehicle may provide for a management fee, development fee, other fees and/or incentive compensation (including carried interest) paid to such operating partner or a related party of such operating partner. Neither the Company nor its affiliates will participate directly or indirectly in any such fees or other consideration paid to operating partners or their related parties.

Certain investment-related and other costs and expenses incurred by the Company on behalf of more than one client are allocated by the Company among those clients according to methodologies that the Company believes to be fair and reasonable. The allocation methodology applicable to a particular cost or expense may be based on a variety of factors, including the investment phase of each client, the gross or net assets under management of each client, the relative benefit to each

client of the cost or expense in question, the category or weighting of a particular type of Real Estate Investment (e.g., office, residential, industrial) or other assets held by each client, the number of investor representatives attending a particular meeting, or a combination of the foregoing. Additional information on the Company's expense allocation policy is available to investors upon request.

If a client terminates the investment management agreement with the Company in the middle of a billing period the Company will invoice the client for an amount that is pro-rated based on the number of days that the account was managed.

The foregoing list and description are not exhaustive; Fund investors should review the applicable offering materials and organizational documents for a more extensive description of the fees and expenses associated with an investment in any client of the Company.

## **Item 6 – Performance Based Fees and Side-by-Side Management**

In some transactions the Company (or Related Persons described in response to the Other Financial Industry Activities and Affiliations section in this brochure) receives, if accrued, performance fees (or specially allocated distributions in respect of equity interests) equal to 15% - 20% of distributable proceeds in excess of the return to investors of their invested capital plus a "real" (i.e., inflation-adjusted) or nominal rate of return thereon of between 7% - 8% per annum. The fact that the Company may be compensated with performance fees may create an incentive for the Company to make investments on behalf of clients that are riskier or more speculative than would be the case in the absence of such compensation. Further, investment advisers have an inherent conflict of interest to favor clients or accounts that pay more in fees, such as performance fees. The Company has adopted and implemented written compliance policies and procedures that are designed to address the above conflicts of interest.

## **Item 7 – Types of Clients**

The Company primarily provides discretionary investment management services to the Funds, as described above.

The offering documents of each Fund sets forth the eligibility requirements and minimum subscription amounts for investors in such Fund. The Company usually requires a minimum of \$1,000,000 in assets to establish an account. However, at its discretion, the Company may waive the minimum amount of assets to establish an account. In some cases the required minimum has ranged from \$75,000 to \$250,000.

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

### Investment Strategy

The Company has employed a value-added investment strategy over the past 27 years. The Company's investment philosophy is a conservative one, yet it is adaptive to changing market conditions. The Company targets investments that offer competitive income returns and the potential for capital appreciation. Preservation of capital, downside protection and stability of cash flows underlie the Company's investment approach.

The Company attempts to capitalize on inefficiencies in real estate markets to acquire high quality operating assets at discounts to replacement cost. Such inefficiencies can result from i) taking advantage of sellers' strategic or financial motivations, ii) investing in markets or properties that are perceived as out of favor by other investors, iii) leveraging industry relationships with both private and public joint venture partners to access deals, and iv) utilizing Company's financial experience and resources to exploit pricing inefficiencies in complex transactions.

The Company's dual expertise in both real estate operations and capital market dynamics are important in the execution of the ownership plan. Value-enhancement strategies to improve an investment's potential for capital appreciation may include i) physical improvements to make properties more marketable and efficient, ii) execution of leasing and operational plans to increase revenues and minimize expenses, iii) focus on risk management and proactive asset management to mitigate downside risk, iv) utilization of prudent leverage to enhance returns and optimize capital structures, and v) opportunistic sale of assets when market conditions are optimal.

### Risk of Loss

All investing involves a risk of loss that clients should be prepared to bear. The investment strategies offered by the Company could lose money over short or long periods of time. Identifying suitable assets for each client is difficult, and there are no assurances that the Company's investment strategies will succeed. The Company cannot give any guarantee that it will achieve Fund investment objectives or that any Fund will receive a return of its investment.

Investors should ultimately refer to their Fund's respective offering documents for detailed risk disclosures that specifically address risks of each Fund's investment strategies, methods of analysis, and/or particular types of securities recommended. Below is a summary of potentially material risks for each significant Company investment strategy used, the methods of analysis used, and/or the particular type of security recommended.

- **Risks of Investing in Real Estate and Real Estate-Related Investments** - The Company will be subject to all the risks inherent in investing in real estate and real estate-related investments, which risks may be increased if the investment is leveraged. These risks may include, without limitation, general and local economic and social conditions, neighborhood values, the supply of, and demand for, properties of the type in which a Fund invests, the financial resources of tenants, vandalism, vacancies, rent strikes, changes in tax, zoning, building, environmental and other applicable laws, federal and local rent control laws, real

property tax rates, changes in interest rates and the availability of mortgage funds, any of which may render the sale of properties difficult or unattractive. Such risks may also cause fluctuations in occupancy rates, rent schedules and operating expenses, which could adversely affect the value of real estate and real estate-related investments and materially reduce the cash flow generated thereby. There can be no assurance of the profitable operation of any property purchased by a Fund or the repayment of any debt investment made by a Fund. Accordingly, a Fund's investment objectives may not be realized. Certain expenditures associated with real estate equity investment (such as property taxes, utility costs, debt service, maintenance costs and insurance premiums) tend to increase and are not generally decreased by events adversely affecting rental revenues. Thus, the cost of operating a property may exceed the rental income therefrom, and a Fund may have to advance funds in order to protect an equity investment or forego the payment of interest on debt investments, or may be required to dispose of investments on disadvantageous terms if necessary to raise needed funds. Moreover, while a Fund will generally purchase insurance to cover casualty losses and general liability, such insurance may not be available or may be available only at prohibitive costs to cover losses from ongoing operations and other risks such as earthquakes, floods, acts of terrorism or environmental contamination.

- The Company routinely invests in multifamily properties, which subjects a Fund to particular risks. The Company may invest in multifamily residential properties. A large number of risk factors may affect the value and successful operation of such properties, including: physical attributes of the property such as its age, condition, design, appearance, access to transportation and construction quality; location of the property; ability of management to provide adequate maintenance and insurance; the types of services or amenities that the property provides; the property's reputation; the level of mortgage interest rates and availability of government incentives, which may encourage tenants to purchase rather than lease housing; presence of competing properties; the tenant mix, such as the tenant population being predominantly students or being heavily dependent on workers from a particular business or personnel from a local industrial unit; adverse local or national economic conditions, which may limit the amount of rent that may be charged and may result in a reduction of timely rent payments or a reduction in occupancy levels; state and local regulations, which may affect the building owner's ability to increase rent to the level of market rents for an equivalent apartment; government assistance/rent subsidy programs; and the inventory of unsold condominium units in the local market that are being rented until economic conditions in the condominium market improve. If any of such risk factors are heightened or the conditions associated with such risk factors deteriorate, a Fund's investments in multifamily properties may incur losses.

In addition, certain jurisdictions regulate the relationship between an owner and its tenants. Commonly, these laws require a written lease, good cause for eviction, disclosure of fees and notification to residents of changed land use, while prohibiting unreasonable rules and retaliatory evictions.

In addition to U.S. federal, state and/or local regulation of the landlord-tenant relationship, some counties and/or municipalities impose rent control on apartment buildings. These ordinances may limit rent increases to fixed percentages, to percentages of increases in the



consumer price index, to increases set or approved by a governmental agency or to increases determined through mediation or binding arbitration.

- The Company routinely invests in office properties. There are a large number of risk factors associated with investments in office properties, including the impact of macroeconomic cycles on the local market and the building's tenants; the quality of an office building's tenants; an economic decline in the businesses operated by the tenants; the physical attributes of the building in relation to competing buildings (e.g., age, condition, design, appearance, location, access to transportation and ability to offer certain amenities, such as sophisticated building systems and/or business infrastructure requirements); the physical attributes of the building with respect to the technological needs of the tenants, including the adaptability of the building to changes in the technological needs of the tenants; the diversity of an office building's tenants (or reliance on a single or dominant tenant); the availability of sublease space; the desirability of the area as a business location; the strength, nature and unemployment rates of the local economy, including labor costs and quality, tax environment and quality of life for employees; and an adverse change in population, patterns of telecommuting or sharing of office space and employment growth (which creates demand for office space). To the extent any of such risk factors are heightened or the conditions associated with such risk factors deteriorate, a Fund's investments in office properties may incur losses.
- The Company routinely invests in retail properties, which subjects a Fund to particular risks. The value and successful operation of a retail property is sensitive to a number of risk factors, including, but not limited to: changes in consumer spending patterns, local competitive conditions (such as the supply of retail space or the existence or construction of new competitive shopping centers or shopping malls, including, for example, competition between regional malls and local shopping centers and changing consumer preferences for upscale outlet malls, big-box discount stores and price clubs); the bankruptcy or distress of tenants; the availability of sublease space; alternative forms of retailing (such as direct mail, video shopping networks and internet web sites, which reduce the need for retail space by retail companies); the safety, convenience and attractiveness of the property to tenants and their customers or clients; the public perception of the safety of customers at shopping malls and shopping centers; the need to make major repairs or improvements to satisfy the needs of major tenants; traffic patterns and access to major thoroughfares; and unemployment rates in the local economy.

The general strength of retail sales also directly affects retail properties. If retail sales by tenants in a Fund's properties were to decline, the rents that are based on a percentage of revenues may also decline, and tenants may be unable to pay the fixed portion of their rents or other occupancy costs. The cessation of business by or bankruptcy of a significant tenant can have a material adverse effect on a retail property, not only because of rent and other factors specific to such tenant, but also because significant tenants at a retail property play an important part in generating customer traffic and making a retail property a desirable location for other tenants at such property.

- The Company routinely invests in industrial properties, which subjects a Fund to particular risks. Significant factors determining the value of industrial properties are; the location of the property (including proximity to supply sources and customers and accessibility to rail lines, major roadways and other distribution channels and transportation routes); the quality of tenants; a reduced demand for industrial space because of a decline in a particular industry segment, property becoming functionally obsolete, building design and adaptability, scarcity of labor sources, changes in access, energy prices, strikes, relocation of highways, the construction of additional highways or other factors; changes in proximity of supply sources; the expenses of converting a previously adapted space to general use; and the location of the property. Concerns about the quality of tenants, particularly major tenants, are similar in both office properties (as discussed above) and industrial properties, although industrial properties may more frequently be dependent on a single or a few tenants.

A particular industrial or warehouse property that suited the needs of its original tenant may be difficult to re-let to another tenant or may become functionally obsolete relative to newer properties. Also, properties used for many industrial purposes are more prone to environmental concerns than other property types. Further, because of unique construction requirements of many industrial properties, many vacant industrial property spaces may not be easily converted to other uses. Thus, if the operation of an industrial property becomes unprofitable due to competition, age of the improvements or other factors, the liquidation value of that industrial property may be substantially less than would be the case if the property were readily adaptable to other uses.

- The Company routinely invests in Real Estate Investments comprised of properties under development. Purchasing property prior to completion of development and construction, or making loans relating to properties under development, is subject to greater risks than the purchase of properties with operating histories or making loans relating thereto. In connection with the purchase of or making loans with respect to properties under development and construction, a Fund will be subject to certain risks, including, without limitation, the risks of unanticipated delays in, or increases in the cost of, development and construction as a result of factors beyond the control of a Fund and the Company. These factors may include, but are not limited to, strikes, adverse weather, material shortages, building restrictions, clearances, environmental impact studies, solvency of the contractor or subcontractors and increases in the cost of labor and materials. In addition, the contractor may not be able to build in conformity with plans and specifications, and the property may not be rented for the amounts or within the time projected. Additional risks may be incurred where a Fund makes periodic progress payments or other advances to contractors prior to completion. The Company may be unable to recover such payments subsequent to any such contractor's default. Such factors can result in increased costs of a project and/or delay in completion and/or loss of anticipated rental revenues and corresponding depletion of a Fund's working capital and reserves or loss of a Fund's investment. Furthermore, the price paid for a property upon which improvements are to be constructed or completed must of necessity be based upon projections of rental income and expenses or of the fair market value of the property upon completion of construction. Whether the property will operate at such projected income and expense levels or achieve such projected fair market value cannot be determined in most cases until after completion of construction and a number of

months of actual operation. To alleviate concentration risks, the offering documents of each Fund generally require the Members' Board to consent to any Real Estate Investment in a property to be developed that is not substantially pre-leased (a "Development Asset") that would result in greater than twenty percent (20%) of the client's aggregate available capital being invested in Development Assets.

- The performance of a Fund and the business operations of the Company may be adversely affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God; fire; flood; earthquakes; epidemics and pandemics resulting from bio-terror attacks or outbreaks of infectious or fatal disease for which there is no cure or treatment and other serious public health concerns; war; terrorism; labor strikes; major plant breakdowns, pipeline or electricity line ruptures; failure of technology; defective design and construction; accidents; demographic changes; government macroeconomic policies; social instability; imposition or declaration of martial law in any jurisdiction; cyber-terror and terrorist attacks on financial markets, exchanges and payments systems, etc.). Some force majeure events may adversely affect the ability of a party (including a Fund, a Fund GP, a portfolio company or a service provider) to perform its obligations until it is able to remedy the force majeure event. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on the Company, a Fund or its portfolio companies. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative effect on the world economy and international business activity generally, or in any of the states or locales in which a Fund may invest specifically.

In particular, the outbreak of the novel coronavirus ("Covid-19") has spread rapidly around the globe, and in January 2020, the World Health Organization declared the Covid-19 outbreak a global health emergency, and then in March 2020, characterized the outbreak as a pandemic. A number of local and national governments worldwide have imposed quarantines and significant domestic and international travel restrictions in response to the outbreak. It is unclear how long such quarantines and restrictions will affect locations in which the Company's offices and personnel are situated. Although the Company has business continuity procedures that are designed to ensure that it can remain operational despite any such outbreak, it is possible that travel and transportation restrictions, quarantine requirements, mandatory working from home arrangements and/or absence due to illness will affect, or continue to affect, all or a significant number of the Company's employees and investment professionals. These factors could lead to a continuing disruption of the Company's business, its ability to adequately source, diligence and monitor new and existing investments and otherwise to perform its functions in respect of a Fund. Similar considerations may also apply to other service providers of a Fund or its portfolio companies, which could also result in a material adverse effect on such Fund or the value of its investments. Should the disruption continue, a Fund may experience delays in completion of investments, which in turn may result in a delay in the start of new leases. In addition, current portfolio companies may incur expenses, delays or interruption of critical business functions relating to events outside of their control, which may result in a Fund experiencing delays in receipt of rental income and other proceeds. If any of a Fund's properties were identified to be clusters for Covid-19, such facilities may be required to be suspended or

closed, and accordingly tenants of such properties may request or file proceedings to terminate the lease agreements based on change of circumstances, subject to court judgments. Any of these circumstances could lead to decreased demand for such properties, and in turn have a material adverse effect on a Fund's (and thus the Company's) business, financial condition, performance and prospects.

The risks described above are not a complete list of all risks associated with the described investment strategy. Investors should refer to Fund offering documents for a more complete description of the risks involved in a Fund investment.

## **Item 9 – Disciplinary Information**

The Company and its employees have not been involved in any legal or disciplinary events in the past 11 years that would be material to a client's evaluation of the Company or its personnel.

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

Several entities that are related persons of the Company are general partners or managing members, as applicable, in limited partnerships or limited liability companies in which clients are solicited to invest. The Company performs asset management functions on behalf of each of such limited partnerships and limited liability companies. The Company and such general partners and managing members are under common ownership.

The following entities are related persons of the Company that act as the general partners, managing members or asset managers, as applicable, of limited partnerships or limited liability companies in which clients invest: Manageco VI LLC; Manageco VII LLC; Manageco VIII LLC; Manageco VIII-I LLC; Manageco IX LLC; Manageco IX Co-Invest, LLC; Manageco X, LLC; Ranger Industrial Asset Manager LLC; Manageco Ranger-G LLC and Manageco Ranger-K LLC (collectively, the "Fund GPs").

The following entities are related persons of the Company that act as the general partners, managing members or asset managers, as applicable, of limited partnerships or limited liability companies which hold direct or indirect interests in real property (collectively, "Real Estate Partnerships"), in certain of which Real Estate Partnerships the Funds hold interests. David Luski, who is a control person and an owner of the Company as disclosed in response to Schedule A, is an owner of various percentage interests in each of the Fund GPs. Andrew E. Peltz, Jean Marie Apruzzese, David Gray, Janine Roberts, Jason Borreo and Adam Breen who are owners of the Company, are also owners of various percentage interests in Manageco VI LLC, Manageco VII LLC, Manageco VIII LLC, Manageco VIII-I LLC, Manageco IX LLC, Manageco IX Co-Invest, LLC, Manageco X, LLC, Manageco Ranger-G LLC, Manageco Ranger-K LLC and Ranger Industrial Asset Manager LLC, each of which is a Fund GP.

Valla Brown, who is an owner of the Company, is also the owner of a percentage interest in

Manageco VI LLC, Manageco VII LLC and Manageco VIII LLC, Manageco VIII-I LLC, Manageco IX LLC and Manageco IX Co-Invest, LLC, Manageco X, LLC, Manageco Ranger-G LLC, Manageco Ranger-K LLC and Ranger Industrial Asset Manager LLC, each of which is a Fund GP.

Matthew Shore, Dean Sickles, who are the owners of the Company, are also owners of a percentage interest in Manageco VII LLC and Manageco VIII LLC, Manageco VIII-I LLC, Manageco IX LLC and Manageco IX Co-Invest, LLC, Manageco X, LLC, Manageco Ranger-G LLC, Manageco Ranger-K LLC and Ranger Industrial Asset Manager LLC, each of which is a Fund GP.

Daniel Goldman is an owner of the Company, and is also owner of a percentage interest in Manageco VIII LLC, Manageco VIII-I LLC, Manageco IX LLC and Manageco IX Co-Invest, LLC, Manageco X, LLC, Manageco Ranger-G LLC, Manageco Ranger-K LLC and Ranger Industrial Asset Manager LLC, each of which is a Fund GP.

Robert Hyman and Glen Besser who are the owners of the Company, are also owners of a percentage interest in Manageco IX LLC and Manageco IX Co-Invest, LLC, Manageco X, LLC, Manageco Ranger-G LLC, Manageco Ranger-K LLC and Ranger Industrial Asset Manager LLC, each of which is a Fund GP.

Brett Gottlieb is an owner of the Company, and is also owner of a percentage interest in Manageco X, LLC, Manageco Ranger-G LLC, Manageco Ranger-K LLC and Ranger Industrial Asset Manager LLC, each of which is a Fund GP.

The Company performs investment advisory services on behalf of the Fund GPs in respect of the Funds and Real Estate Partnerships.

As discussed above, Manageco VI LLC is a related person of the Company. Manageco VI LLC is the managing member of DRA Growth and Income Fund VI LLC, for which the limited liability company was established to invest in interests in predominantly commercial properties. David Luski, Paul McEvoy, Brian T. Summers, Andrew E. Peltz, Jean Marie Apruzzese, Janine Roberts, David P. Gray, Adam Breen, Jason Borreo and Valla Brown, who are owners of the Company, are owners of the various percentage interests in Manageco VI LLC.

As discussed above, Manageco VII LLC is a related person of the Company. Manageco VII LLC is the managing member of DRA Growth and Income Fund VII LLC, for which the limited liability company was established to invest in interests in predominantly commercial properties. David Luski, Paul McEvoy, Brian T. Summers, Jean Marie Apruzzese, Andrew E. Peltz, Janine Roberts, David P. Gray, Adam Breen, Jason Borreo, Valla Brown, Matthew Shore and Dean Sickles, who are the owners of the Company, are owners of the various percentage interests in Manageco VII LLC.

As discussed above, Manageco VIII LLC is a related person of the Company. Manageco VIII LLC is the managing member of each of DRA Growth and Income Fund VIII LLC and DRA Growth and Income Fund VIII (A) LLC for which the limited liability companies were established to invest in interests in predominantly commercial properties. David Luski, Paul McEvoy, Brian T.

Summers, Jean Marie Apruzzese, Andrew E. Peltz, Janine Roberts, David P. Gray, Adam Breen, Jason Borreo, Valla Brown, Matthew Shore, Dean Sickles and Daniel Goldman, who are the owners of the Company, are owners of the various percentage interests in Manageco VIII LLC.

As discussed above, Manageco VIII-I LLC is a related person of the Company. Manageco VIII-I LLC is the managing member of DRA Growth and Income Fund VIII Co-Investment I LLC for which the limited liability company was established to invest in interests in predominantly commercial properties. David Luski, Paul McEvoy, Brian T. Summers, Jean Marie Apruzzese, Andrew E. Peltz, Janine Roberts, David P. Gray, Adam Breen, Jason Borreo, Valla Brown, Matthew Shore, Dean Sickles and Daniel Goldman, who are the owners of the Company, are owners of the various percentage interests in Manageco VIII-I LLC.

As discussed above, Manageco IX LLC is a related person of the Company. Manageco IX LLC is the managing member of DRA Growth and Income Fund IX LLC, DRA Growth and Income Master Fund IX LLC and DRA Growth and Income Master Fund IX-A LLC for which the limited liability companies were established to invest in interests in predominantly commercial properties. David Luski, Paul McEvoy, Brian T. Summers, Jean Marie Apruzzese, Andrew E. Peltz, Janine Roberts, David P. Gray, Adam Breen, Jason Borreo, Valla Brown, Matthew Shore, Dean Sickles, Daniel Goldman, Robert Hyman and Glen Besser who are the owners of the Company, are owners of the various percentage interests in Manageco IX LLC.

As discussed above, Manageco IX Co-Invest, LLC is a related person of the Company. Manageco IX Co-Invest, LLC is the managing member of DRA Growth and Income Fund IX Industrial Co-Investment LLC and DRA Fund IX Industrial-G Co-Investment LLC for which the limited liability companies were established to invest in interests in industrial properties. David Luski, Paul McEvoy, Brian T. Summers, Jean Marie Apruzzese, Andrew E. Peltz, Janine Roberts, David P. Gray, Adam Breen, Jason Borreo, Valla Brown, Matthew Shore, Dean Sickles, Daniel Goldman, Robert Hyman and Glen Besser who are the owners of the Company, are owners of the various percentage interests in Manageco IX Co-Invest, LLC.

As discussed above, Manageco X, LLC is a related person of the Company. Manageco X, LLC is the managing member of DRA Growth and Income Fund X, LLC and DRA Growth and Income Master Fund X, LLC, for which the limited liability companies were established to invest in interests in predominantly commercial properties. David Luski, Jean Marie Apruzzese, Andrew E. Peltz, Janine Roberts, David P. Gray, Adam Breen, Jason Borreo, Valla Brown, Matthew Shore, Dean Sickles, Daniel Goldman, Robert Hyman, Glen Besser and Brett Gottlieb who are the owners of the Company, are owners of the various percentage interests in Manageco X, LLC.

As discussed above, Manageco Ranger-G LLC and Manageco Ranger-K LLC are related persons of the Company. Manageco Ranger-G LLC and Manageco Ranger-K LLC are the managing members of Ranger-G Co-Investment LP and Ranger-K Co-Investment LP, respectively. In addition, Ranger Industrial Asset Manager LLC is a related person of the Company. Ranger Industrial Asset Manager LLC provides asset management services to Ranger Industrial Holdco REIT LLC, Ranger-G Co-Investment LP and Ranger-K Co-Investment LP for which the limited liability companies were established to invest in interests in industrial properties. David Luski, Jean Marie Apruzzese, Andrew E. Peltz, Janine Roberts, David P. Gray, Adam Breen, Jason Borreo,

Valla Brown, Matthew Shore, Dean Sickles, Daniel Goldman, Robert Hyman, Glen Besser and Brett Gottlieb who are the owners of the Company, are owners of the various percentage interests in Manageco Ranger-G LLC, Manageco Ranger-K LLC and Ranger Industrial Asset Manager LLC.

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

The Company sometimes recommends to various clients investments in transactions in which the Company or a related person has a financial interest. The terms of such relationship and the existence of such financial interests are in each instance disclosed to such accounts prior to effecting the transaction. The Company complies with its disclosure and fiduciary obligations to clients under the Advisers Act and, where applicable, the Employee Retirement Income Security Act of 1974, as amended, in connection with its investment activities and recommendations to clients.

All principals, directors and employees of the Company (collectively, “Employees”) are subject to the provisions contained in the Business Conduct and Ethics Policy chapter of the Company’s compliance manual (the “Code of Ethics” or the “Code”). The Code outlines policies and procedures regarding conflicts of interest, standards of conduct, personal investment transactions, insider trading, handling of material, non-public information and other matters. Employees are prohibited from participating in any transaction in which there appears to be a conflict between their personal interests and those of the Company or its clients or from which they derive an improper personal benefit, directly or indirectly. The Code is designed to instill a culture of compliance among the Employees by ensuring, among other things, that Employees conduct their investing activities in accordance with applicable law and in the best interests of the clients. Key components of the Company’s Code of Ethics are: (i) maintaining a strategic vision designed to ensure that clients’ interests are placed first and foremost; (ii) identifying risks; (iii) establishing controls; (iv) documenting transactions and activities of the Employees that fall under the purview of the Code; and (v) maintaining accountability.

The Code of Ethics contains several restrictions and procedures designed to eliminate conflicts of interest between the Company, the Employees, and its clients, including: (1) a requirement of the Employees that they comply with all laws (including antitrust laws); (2) a prohibition of making gifts or payments to any governmental or elected official or their associates or to improperly influence anyone who is doing business or may do business in the future with the Company; (3) restrictions on receiving privileges, favors, gifts, payments, fees, services or special discounts from a client, tenant, supplier or anyone else who is doing business or is seeking to do business with the Company; (4) a prohibition of Employees using their position with the Company to obtain unfair or improper benefit for themselves from other businesses or organizations with which they are associated; (5) a prohibition of receipt of improper financial benefit by Employees and procedures designed to eliminate conflicts of interest (or even the appearance of conflicts of interest); (6) restrictions on Employees regarding investments in real estate or real estate entities and other business investments; (7) restrictions on outside employment and other business activities, including service as a director or officer of another organization; (8) restrictions on Employee’s

business conduct in regards to work with tenants and other persons doing business with the Company, including personal loans to Employees by persons doing business with the Company; (9) guidance for Employees with respect to political contributions and activities and prohibitions of the Company making political contributions; (10) a prohibition of any discrimination; (11) a prohibition of the use of confidential information for financial gain and disclosure of confidential information; (12) pre-approval of any purchase or sale of assets from the Company; and (13) restrictions on the purchase from and sale to the Company of assets; and (14) guidance for employees for setting proper accounting controls.

The Code also prohibits the Employees from trading in certain restricted stocks under any circumstances. The list of restricted stocks is updated when necessary, but not less than quarterly. Each Employee is promptly notified of any changes or updates to the list. The Chief Compliance Officer then monitors any trades by Employees in restricted stocks.

If an employee acts in a manner inconsistent with the Code, the Code provides for disciplinary action and reports of violation. In addition, the Code provides implementation procedures with respect to: (1) interpretations and advance approvals; and (2) frequent distributions of the Code to Employees and periodic statements of compliance from certain Employees.

Monitoring of Employees' business conduct is handled by the Chief Compliance Officer. Records of transactions or activities of the employees which fall under the purview of the Code of Ethics are also maintained by the Chief Compliance Officer.

A summary of the Company's Code of Ethics will be provided to any client or investor or prospective client or investor upon written request to: David Gray, c/o DRA Advisors LLC, 220 East 42<sup>nd</sup> Street, 27<sup>th</sup> Floor, New York, NY 10017.

## **Item 12 – Brokerage Practices**

The Company provides advice with respect to the acquisition, management and disposition of real estate and real estate related investments in private transactions which do not generally involve the participation of brokers or dealers. The Company generally does not engage in securities trading. To the extent the Company selects a broker or dealer with respect to securities transactions, each executing broker or dealer will be selected on the basis of seeking best execution of transactions. Commissions paid to a broker who supplies research may be higher than to other brokers who do not provide research. There are no limitations placed by clients on the authority of the Company in the selection of brokers.

The Company may obtain research information from a number of sources, which may include brokers. All information will be used for the benefit of all accounts serviced. Direct placement of orders may be used to direct client transactions to particular brokers.



## **Item 13 – Review of Accounts**

David Luski, President, Jean Marie Apruzzese, Secretary and Chief Operating Officer, Andrew Peltz, Managing Director of Acquisitions, David Gray, Chief Compliance Officer, Janine Roberts, Managing Director of Dispositions, Adam Breen, Chief Marketing Officer and Head of Multi-Family, Jason Borreo, Managing Director of Portfolio Management and Structuring, Valla Brown, Managing Director of Asset Management, Matthew Shore, Chief Investment Officer, Dean Sickles, Head of East Coast Operations, Daniel Goldman, Head of West Coast Operations, Robert Hyman, Managing Director of Asset Management, Glen Besser Managing Director of Investor Services, and Brett Gottlieb, Managing Director of Acquisitions generally review all accounts on a quarterly and annual basis. The Company's valuation committee generally performs internal appraisals of the market value of all clients' Real Estate Investments on a quarterly basis or as directed by investors. In addition, the Company intermittently discusses prevailing market conditions and overall investment characteristics with its clients' investors.

### Client/Investor Reporting

Clients receive regular written reports on their accounts as follows:

1. Periodic purchase and sale advice.
2. Quarterly economic and market analysis.
3. Quarterly performance reports.
4. Annual audited financial statements

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

The Company does not directly or indirectly compensate any person for client referrals.

## **Item 15 – Custody**

Client assets are held in custody by unaffiliated broker/dealers or banks, all of whom are qualified custodians, as that term is defined under Rule 206(4)-2 of the Advisers Act (i.e. the "Custody Rule"). However DRA has access to client assets since it or a related person serves as the managing member or general partner of each Fund and because of its ability to withdraw its fees directly from the Funds. To comply with the Custody Rule and to provide meaningful protection to investors, the Funds are subject to an annual financial statement audit by an independent public account registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are prepared in accordance with generally accepted accounting standards, and are distributed to investors within 120 days of each Fund's fiscal year end.

## **Item 16 – Investment Discretion**

The Company has full discretionary authority to manage the Funds, including authority to make decisions with respect to which investments are bought and sold. Any limitations on authority are included in Fund offering documents, advisory agreements, investor side letters, and/or the Company's internal compliance policies and procedures.

Side Letters: The Company may, and does routinely, enter into agreements with one or more investors in its discretion which have the effect of altering or supplementing the terms of the offering to the specific investor. Any terms contained in such agreements to or with an investor govern with respect to such investor, notwithstanding the provisions of the Fund's governing documentation. Among other things, certain side letters include: (i) co-investment rights and preferences; (ii) additional notification provisions (e.g. reporting and notices), (iii) modifications reflecting applicable legal, regulatory, taxation or other obligations (including excuse rights), (iv) designation of a representative to a Members' Board, (v) restriction from use of an investor's name or (vi) variation of fee and compensation arrangements applicable to an investor, including specific thresholds for organizational and catch-up costs. Certain side letters include a "most favored nations" or "MFN" provision that entitles certain investors to examine and/or elect the benefit of side letter provisions afforded to other investors in a particular Fund. The Company believes that the side letters in effect with current investors do not materially affect the management of the Funds.

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

The Company does not invest in securities that carry proxy voting rights. As a result, the Company does not vote proxies.

## **Item 18 – Financial Information**

The Company has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.