

**Maple Capital Management, L.L.C.**

3819 Maple Avenue

Dallas, TX 75219

(214) 661-8000 (telephone)

**This brochure provides information about the qualifications and business practices of Maple Capital Management, L.L.C. If you have any questions about the information contained in this brochure, please contact us at (214) 661-8000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.**

**This brochure does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of offering, governing and/or account documents that contain the material terms relating to such investments, products or services.**

**Additional information about Maple Capital Management, L.L.C. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

March 28, 2020

## ITEM 2: MATERIAL CHANGES

The date of the last annual update to our firm brochure was March 25, 2019. A summary of certain of the material changes made to our firm brochure since the date of our last annual update is set forth below:

- We updated our regulatory assets under management as of December 31, 2019. **See Item 4.**
- Certain additional risk factor disclosures were added to **Item 8.**

*The information set forth in this brochure is qualified in its entirety by the applicable governing and account documents and applicable offering materials. In the event of a conflict between the information set forth in this brochure and the information in the applicable governing, account and/or offering documents, such documents shall control.*

***We encourage all clients and investors to carefully review this document and/or any other applicable disclosure documents in their entirety.***

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## ITEM 4: ADVISORY BUSINESS

### FIRM DESCRIPTION AND OVERVIEW

Maple Capital Management, L.L.C. (“MCM” or “we,” “us,” or “our”) was organized in April 2018. We (and certain of our affiliates) provide and may in the future provide investment management, advisory, administrative and other services to pooled investment vehicles and other entities and ventures primarily with respect to investments in industrial real estate properties, interests and assets.

Our investment advisory services are or will be provided on a discretionary or non-discretionary basis in accordance with the investment objectives, strategies, guidelines, restrictions, terms and limitations set forth in the applicable offering, governing and/or account documents, as applicable, and the information in this brochure is qualified in its entirety by the information set forth in such documents.

We do not act as general partner with respect to any of our clients. Instead, we generally supervise, oversee and control any and all investment advisory services provided with respect to our clients, and certain of our affiliates (including the general partner of the Fund) rely or may rely on our investment adviser registration instead of separately registering as an investment adviser with the SEC under the Advisers Act. **See Item 10.**

### PRINCIPAL OWNERS

We are ultimately owned, indirectly through intermediate subsidiaries, by Crow Family Holdings (as defined below) and certain of our senior employees. As used herein, “Crow Family Holdings” means (i) Crow Family, Inc., a Texas corporation, Crow Holdings, L.P., a Delaware limited partnership, or any successors thereto and (ii) entities owned and controlled by any two or more of the Harlan R. Crow Family Branch Partnership, L.P., the Trammell S. Crow Family Branch Partnership, L.P. and the Stuart M. Crow Family Branch Partnership, L.P. While Crow Family Holdings owns a majority of our equity interests, it is a passive owner and is not involved in our day-to-day management and operations. **See Item 10.**

For information relating to the executive officers and ownership of us and each adviser relying on our registration, please refer to Schedule A, Schedule B and Schedule R of Part 1A of Form ADV with respect to such applicable affiliate.

### TYPES OF ADVISORY SERVICES

We currently provide advisory, management, administrative and other services to an affiliated private pooled investment vehicle, Crow Holdings Industrial Build-to-Hold Fund, L.P., a Delaware limited partnership (the “Fund”), primarily with respect to investments in industrial real estate properties, interests, and/or assets, and debt secured, directly or indirectly, thereby. We generally are responsible for investing the assets of the Fund in accordance with the investment objectives, policies, limitations and guidelines set forth in its limited partnership agreement and other governing documents. Information about the Fund is set forth in its limited partnership agreement. **See Item 8 below.**

In addition to the Fund, we may in the future provide discretionary or non-discretionary investment management, advisory, administrative and other services to other pooled investment vehicles, special purpose vehicles, entities and separately managed accounts (together with the Fund, “Accounts”) primarily with respect to investments in industrial real estate properties, interests, and/or assets, as well as debt secured, directly or indirectly, by such industrial real estate properties,

interests and/or assets. Accounts may invest indirectly through one or more subsidiary entities including, but not limited to, subsidiary real estate investment trusts, corporations, limited liability companies, partnerships, parallel entities, joint ventures and other arrangements in which Accounts have direct or indirect interests. Our advisory and other services will be provided to clients in accordance with the investment objectives, strategies, guidelines, terms, restrictions and limitations set forth in the applicable offering, governing and/or account documents. **See Item 8** below.

## **INVESTMENT RESTRICTIONS**

Investment advice and other services will be provided to each Account in accordance with the investment objectives, strategies, terms, guidelines, restrictions and limitations contained in the applicable offering, governing and/or account documents. Subject to our approval, Account clients or investors in an Account may impose reasonable restrictions and limitations on our investment advisory and other services with respect to the management and operation of an Account or the investment advisory or other services provided with respect thereto. The information in this brochure is qualified in its entirety by the information set forth in the applicable governing, account and offering documents.

We and/or an affiliate may enter into side letter agreements or similar arrangements with one or more investors in an Account that have the effect of establishing rights under, or altering, modifying, waiving or supplementing the terms of, the governing documents of such Account in respect of such investors. Among other things, these side letter agreements may entitle an investor in an Account to lower fees, preferential economic terms, expanded or additional information or transparency rights, most favored nations status, excuse rights with respect to certain investments, notification rights, rights or terms necessary or advisable in light of particular legal, regulatory or public policy considerations of or related to an investor and/or other preferential rights and terms. **See Item 8** below.

Limited partner interests or other equity interests in an Account that is a private pooled investment vehicle, such as the Fund, will be privately offered only to eligible investors pursuant to exemptions under the U.S. Securities Act of 1933, as amended, and the regulations promulgated thereunder. Such pooled investment fund Accounts (including the Fund) will not be registered with the SEC as investment companies based on specific exclusions from the definition of investment company under the U.S. Investment Company Act of 1940, as amended.

## **REGULATORY ASSETS UNDER MANAGEMENT**

As of December 31, 2019, we had approximately \$62,404,000 in regulatory assets under management (as also reflected in Item 5.F.(2) of Part 1 of our Form ADV). All of these assets were managed on a discretionary basis (either directly or indirectly).

## **ITEM 5: FEES AND COMPENSATION**

### **FEE SCHEDULES**

The fees and expenses applicable to and/or required to be borne by each Account are or will be set forth in detail in the offering, governing and/or account documents of such Account, and generally are negotiable on a case by case basis based upon various factors or considerations deemed relevant or appropriate, including, without limitation, the size of the mandate and/or the scope of the services to be performed.

Subject to the terms and conditions set forth in the applicable governing or account documents, we generally expect to receive from each Account a management fee, payable quarterly in advance or arrears, in an amount equal to between 0.25% and 1.50% per annum (or such other applicable percentage) of the aggregate capital commitments, invested capital or asset value of such Account.

Payments in respect of the management fee may be in addition to an investor's capital commitment in the Account.

Subject to the terms and conditions of the applicable governing or account documents, we or an affiliate may be entitled to receive with respect to an Account a carried interest or other incentive or performance-based compensation equal to a percentage of profits on distributions derived from the disposition of investments (following the return to the applicable investor or client of its contributed capital and a preferred rate of return of a certain percentage on contributed capital).

Subject to the terms and conditions set forth in the applicable governing, account and/or offering documents, we or an affiliate generally will or may receive various other types and forms of compensation with respect to Accounts including, without limitation, (i) venture fees or other asset-based fees, (ii) general contracting fees, (iii) development fees, (iv) construction services fees, and/or (v) a promote, profits, or similar interest in entities formed to hold or own real estate investments.

In connection with a portfolio investment, an Account or a subsidiary thereof may enter into a transaction services agreement with one or more of our affiliates, pursuant to which an affiliate provides transaction services with respect to such portfolio investment, and such Account or an applicable subsidiary thereof pays to such affiliate a development fee equal to four percent (4.0%) (or such lesser or greater percentage or amount set forth in the applicable governing documents) of the development costs of such portfolio investment.

### **PAYMENT OF FEES**

Subject to the terms of the applicable governing or account documents, management and other asset-based fees generally will be funded with capital contributions or other payments, through withholdings from distributions or refinancings, and/or from any borrowings by such Account. Subject to the terms of the applicable governing or account documents, capital contributed to pay management fees may not be credited against or reduce the unfunded commitments of an Account and such amounts may be in addition to capital commitments to such Account.

Subject to the terms of the applicable governing or account documents, carried interest distributions and other performance-based compensation with respect to an Account generally will be distributed or paid to us or our affiliates

from time to time upon the disposition or refinancing of investments or from profits on distributions derived from operating proceeds.

Any other applicable fees and compensation with respect to an Account will be payable in accordance with the terms set forth in the governing, account and offering documents relating thereto.

## **OTHER FEES AND EXPENSES**

In addition to the fees described above, we or an affiliate may also receive other types of fees, payments or other compensation with respect to or in connection with our advisory and other services provided with respect to Accounts (pursuant to the terms and conditions set forth in the applicable governing documents).

We and our personnel and affiliates can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Accounts that will not be subject to any fee offset or otherwise shared with the Accounts and/or their investors. For example, airline travel or hotel stays incurred as Account expenses typically result in “miles” or “points” or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to us and/or such personnel and affiliates (and not the Accounts and/or investors) even though the cost of the underlying service is borne by Accounts.

Subject to the terms and conditions set forth in the applicable governing and account documents, each Account generally will bear all of its own organizational and offering expenses which may include, among other things, the expenses incurred in connection with forming and establishing such entity, its general partner or manager and/or affiliated entities and the offering of interests, including attorneys’ fees, expenses for travel (which may include first class or business class travel), accommodation expenses, meal expenses and other similar types of expenses, accountants fees and expenses, applicable taxes and fees and expenses incurred in connection with the negotiation and preparation or organizational documents and other documents relating to such Account and their investments (including those additional fees described above).

Subject to the terms and conditions set forth in the applicable governing and account documents, an Account generally will or may bear all costs and expenses incurred in connection with its business and activities (whether directly or indirectly through subsidiaries) including, without limitation, (i) legal expenses (including attorney’s fees); (ii) all fees and expenses of custodians, transfer agents, trustees, third-party administrators, paying agents, corporate agents, auditors, appraisers, tax advisors and similar service providers (including, without limitation, an independent valuation firm and any third party appraisal firms selected thereby); (iii) principal, interest on and fees, expenses and costs arising out of borrowings, permitted by the terms of the applicable governing or account documents and all out of pocket costs and expenses incurred in negotiating, entering into, effecting, maintaining, varying and terminating any borrowing or guarantee permitted to be incurred by the applicable governing or account documents, (iv) expenses associated with making distributions or redemptions (including distributions of marketable securities); (v) accounting expenses, including expenses associated with audits (including the costs of independent auditor services and third party vendor price quotations) or the preparation of the financial statements and tax returns and the filing of various tax withholding forms and treaty forms on behalf of such Account, its subsidiaries or any investor therein; (vi) costs and expenses related to the preparation and distribution of reports, including the cost of third party consultants, account or advisors with respect to the preparation of the calculations set forth therein; (vii) all expenses associated with valuations of such Account’s and its subsidiaries’ assets and any and all valuation lists applicable thereto; (viii) premiums and fees for insurance to benefit, directly or indirectly, such Account, its subsidiaries, the members of the advisory committee, the general partner, us and our affiliates with respect to liabilities to any person in connection with the affairs of such Account and its subsidiaries and for directors’ and officers’ liability insurance or other similar insurance policies including errors and omissions insurance and financial institution bond

insurance; (ix) costs and expenses related to investor communications and meetings; (x) costs of actual or threatened litigation, arbitration, mediation or other dispute resolution proceeding involving such Account or any of its subsidiaries or investments or other matters that are the subject of any indemnitee's indemnification rights under such Account's governing documents, and the amount of any judgment or settlement paid by such Account or any of its subsidiaries in connection therewith; (xi) expenses incurred by the applicable advisory committee (including meeting and indemnification costs of such Account); (xii) expenses incurred in connection with the preparation of amendments to the governing documents; (xiii) regulatory, compliance and filing expenses attributable to such Account and its subsidiaries; (xiv) fees and expenses relating to software tools, programs or other technology utilized in managing such Account and its subsidiaries and researching, managing and monitoring its Investments, including, without limitation, third-party software licensing, implementation, data management and recovery services and custom development costs; (xv) any expenses and costs of winding-up and liquidating such Account and its subsidiaries; (xvi) reasonable expenses paid to us or an affiliate for use of facilities for purposes related to the business of such Account, including but not limited to customary facilities, food and beverage, and other similar charges; and (xvii) all expenses related to actual and potential investments (whether to be made directly or indirectly through subsidiaries), including, without limitation, (a) the costs and fees of evaluating and pursuing potential investments (whether or not consummated) and of acquiring, developing, operating, maintaining, monitoring, owning, making, holding, financing, leasing, renovating, expanding or selling investments, (b) retainer, finder's, placement, advisor, consultant, custodian, subcustodian, transfer agent, disbursal, brokerage, registration, legal and other similar fees and expenses attributable to investments (whether or not consummated), (c) fees, costs and expenses related to the organization or maintenance of any intermediate entity used to acquire, hold or dispose of one or more investments or otherwise facilitate such Account's investment activities (whether conducted directly or indirectly through subsidiaries), (d) all travel, correspondence and other transaction costs and expenses incurred in connection with the pursuit, acquisition, operating, maintaining, developing, monitoring, owning, making, holding, financing, leasing, renovating, expanding or disposition of any investments (whether or not consummated) (including expenses for air travel, meals, entertainment, lodging and incidentals) and (e) taxes assessed on the investments and any other taxes and assessments (other than withheld taxes pursuant to the governing documents), including sales taxes payable on fees and reimbursements payable by such Account and its subsidiaries. Such Account may also be required to pay or bear the broken deal expenses with respect to any proposed co-investment to the extent not paid by the proposed co-investors with respect to such proposed co-investment. Such Account may also be required to pay the costs and expenses incurred with respect to applicable legal and/or regulatory compliance matters and regulatory filings with applicable U.S. federal, state, local or non-U.S. or other laws or regulations. Subject to the terms and conditions of the governing or account documents, an Account may also be required to bear or reimburse us for certain of our (or an affiliate's) overhead or operating expenses.

We and our personnel may receive certain intangible and/or other benefits and/or perquisites arising or resulting from certain activities on behalf of clients that will not be subject to any management fee offset or otherwise shared with clients, investors and/or portfolio investments. For example, airline travel or hotel stays incurred as client expenses typically result in "miles" or "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not *de minimis* or difficult to value, inure exclusively to us and/or such personnel (and not the clients, investors and/or portfolio companies) even though the cost of the underlying service is borne by clients, investors and/or portfolio companies.

Expenses may be incurred by or relate to more than one of our Account clients. We expect to allocate aggregate costs among the applicable clients (and, in certain cases, among us, our affiliates and applicable clients) in accordance with allocation policies and procedures which will be reasonably designed to allocate expenses in a fair and equitable manner over time among such applicable clients. However, expense allocation determinations can involve potential conflicts of interest (e.g., an incentive to favor clients that pay higher incentive fees or conflicts relating to different expense arrangements with certain clients). In general, we expect to allocate expenses among applicable clients on a *pro rata* basis



based on assets under management or total amount invested or committed to invest (or the size of the investment made by each applicable client in the activity, entity or investment to which the expenses relate). We may, however, use other methods to allocate certain expenses among applicable clients if we deem another method to be more appropriate based upon the relative use of a product or service, the nature or source of the product or service, the relative benefits derived by the applicable clients from the product or service, or other relevant factors. Nevertheless, the portion of a common expense that we may allocate to a client may not reflect the relative benefit derived by such client in any particular instance. Our expense allocations will often depend on inherently subjective determinations and, accordingly, expense allocations made by us in good faith generally will be binding and final on each client.

The applicable Accounts generally will or may bear out-of-pocket expenses and costs incurred in connection with investments and deals that are not ultimately completed or consummated. Typically, these expenses may include (i) legal, accounting, advisory, consulting or other third-party expenses in connection with making an investment that is not ultimately consummated, and any related travel and accommodation expenses (whether incurred by us or third parties), (ii) all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment that is not ultimately made, and (iii) any break-up fees, deposits, or down payments of cash or other property which are forfeited in connection with a proposed investment that is not ultimately made.

*The foregoing list is not intended to be exhaustive or complete with respect to any Account and is qualified in its entirety by the applicable governing, offering or account documents of such Account, as applicable. Each Account will or may bear and be responsible for any custodial and counterparty fees and expenses applicable to its investment and other activities.*

#### **COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS**

Neither we nor any of our supervised persons accept compensation for the sale of securities or other investment products.

## ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As noted under **Item 5** above, we and/or certain of our affiliates receive or may receive performance-based compensation (including carried interest distributions) with respect to any or all of the Accounts.

In certain cases, an investment opportunity may be appropriate for more than one advisory client. As discussed in **Item 12**, these investment opportunities will be allocated in accordance with our investment allocation policies and procedures, pursuant to which we generally will seek to allocate investment opportunities to or among our applicable clients in a fair and equitable manner under the circumstances based upon various factors or considerations deemed relevant or appropriate by us, including, without limitation, the investment guidelines, limitations, strategies, focus areas and any other provisions of the governing, account and/or offering documents of such applicable clients.

Carried interest distributions and performance-based fees and compensation could motivate us to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. The method of calculating the carried interest or performance allocations may result in conflicts of interest with respect to the management and disposition of investments, including the sequence of dispositions. Certain of our individual employees, agents and affiliates may be compensated to some extent based upon investment profits for which they are responsible and, accordingly, may face the same potential conflict. We attempt to address these conflicts through full and fair disclosure in the applicable governing, account and/or offering documents and/or this brochure.

In addition, in allocating investment opportunities, we may have an incentive to favor clients with a potential for performance-based compensation over clients with no potential for performance-based compensation. We focus on monitoring the allocation of investment opportunities in such situations and endeavor to resolve any material conflict with respect to the allocation of investment opportunities. **See Item 12.**

## **ITEM 7: TYPES OF CLIENTS**

### **TYPES OF CLIENTS**

We provide and may in the future provide advisory services to various types of clients, including affiliated private pooled investment vehicles, special purpose vehicles, joint ventures, separately managed accounts of institutional clients and other entities (including the Fund).

### **ACCOUNT REQUIREMENTS**

There is currently no minimum amount required to invest in any Account.

To invest in an Account, an investor generally will be required to be, among other things, an “accredited investor” and a “qualified purchaser” as each such term is defined in applicable U.S. securities laws.

## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

It is anticipated that each Account will pursue a single asset strategy and will primarily invest in industrial (warehouse) real estate, which investments are expected to have long-term hold periods. These single asset strategy Accounts will focus on the development of industrial real estate and may also acquire existing operating real estate assets which may be redeveloped or held as-is. We expect to evaluate the market throughout the investment period of each Account and deploy capital where we believe that the best opportunities can be found for such Account on a risk-adjusted basis.

We generally will seek to generate attractive risk-adjusted returns consistent with an Account's investment objectives through the implementation of one or more investment approaches to effect the single asset strategy of the Fund, including, without limitation, the following investment approaches:

**Development:** We expect the Accounts will generally invest in development projects with or alongside Crow Holdings Industrial, an industrial real estate company and affiliate of us ("CHI"), or an affiliate thereof, which are generally expected to be located in major United States metropolitan statistical areas (MSAs) or other geographic region specified in the investment guidelines under the applicable governing, offering or account documents. Comparable property performance, current supply/demand metrics and construction costs are evaluated extensively prior to committing to an investment in a development project.

**Value creation:** We expect to target well located real estate and focus on value creation for the Accounts primarily through the development or re-development of real estate assets acquired by the Accounts. We may also implement other value creation tactics for the Accounts including 1) buying below replacement costs, 2) acquiring assets in depressed or recovering markets, subject to any geographic investment limitations of an Account, 3) asset repositioning, and 4) increasing net operating income.

**Risk of Loss:** Each development or acquisition opportunity allocated to an Account is expected to be assembled and underwritten by CHI or an affiliate thereof. In accordance with the applicable offering, governing or account documents of any discretionary Account, we will review any development or acquisition opportunities on behalf of such Account as presented by CHI or an affiliate and we will perform an analysis on such opportunity. We expect that our analysis will include, among others, verification of project economics (including rents and expenses), location study and ultimately a physical market tour and visit to a particular site. We will use the findings of these analyses to make recommendations to our Investment Committee with respect to the allocation of such development or acquisition opportunity to an Account.

Subject to the terms and conditions of the applicable governing or account documents, we generally expect that an Account will seek to finance each investment separately on a non-recourse basis (subject to customary non-recourse carve-outs) in order to avoid cross-collateralization. If each asset is financed separately, it may minimize the possibility of a "mistake" in the portfolio creating a domino effect on other holdings within such Account. However, a separate guaranty of the debt or such non-recourse carve-outs is often required, which would effectively cross-collateralize all or a portion of the portfolio of the applicable Account. As allowed under the applicable governing, offering or account documents, we will strive to maintain the appropriate levels of leverage in compliance with any restrictions or other limitations with respect to an Account. Further, subject to the terms and conditions of the applicable governing or account documents, leverage may also

or alternatively be placed on smaller assets of an Account using one or more portfolio loans in an attempt to obtain improved debt terms and increase financing availability.

*The investment strategies summarized above are not intended to be comprehensive. With respect to each Account, the information set forth above is qualified in its entirety by the information set forth in its applicable offering, governing, and/or account documents. For more information regarding the investment strategies and processes of any Account, please refer to the applicable offering, governing and/or account documents.*

## **CERTAIN RISK FACTORS**

*There can be no assurance that clients will achieve their investment objectives or that investments will be profitable. Our investment strategies will involve a substantial degree of risk, including risk of complete loss. Nothing in this brochure is intended to imply, and no one is or will be authorized to represent, that our investment strategies are low risk or risk free. Our investment strategies are appropriate only for sophisticated persons who fully understand and are capable of bearing the risks of investment. The various risks outlined below are not the only risks associated with our investment strategies and processes and will not necessarily apply to every Account.*

**Risks of Real Estate Ownership.** There can be no assurance that the operations of the Accounts will be profitable or that cash from operations will be available for distribution to limited partners. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of real property interests. The marketability and value of the real property interests will depend on many factors beyond our control, including, without limitation: (i) changes in general or local economic conditions and conditions of domestic and international financial markets; (ii) changes in supply of or demand for competing properties in an area, including competition for real property interests; (iii) changes in interest rates; (iv) the promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety; (v) unavailability of mortgage funds which may render the construction, leasing, sale or refinancing of a property difficult; (vi) the financial condition of tenants, buyers and sellers of properties; (vii) changes in real estate tax rates and other operating expenses; (viii) the imposition of rent controls; (ix) energy and supply shortages; (x) various uninsured or uninsurable risks and losses; and (xi) acts of God, natural disasters, acts of war, civil unrest and natural catastrophes, pandemics, epidemics, outbreak of disease and other public health issues (and governmental actions or measures in response to such developments. Since investments in real estate generally are not liquid, there is no assurance that there will be a ready market for real property interests. Competition for investments may have the effect of increasing costs, thereby reducing investment returns to the Accounts.

**Unforeseen Acquisition Results.** Acquisitions made by the Accounts may not prove to be successful. The Accounts may encounter unanticipated difficulties and expenditures relating to any acquired properties, including contingent liabilities. The Accounts may never realize the anticipated benefits of an acquisition, which could adversely affect their ability to dispose of properties or make distributions to limited partners.

**Possible Lack of Diversification.** While diversification will be an objective of the Accounts, there can be no assurance as to the degree of diversification that will actually be achieved in the Accounts' investments either by geographic region or property type. The Accounts may participate in a limited number of investments and, as a consequence, the aggregate return of the Accounts may be substantially adversely affected by the unfavorable performance of even a single investment. To the extent that the capital raised is less than the targeted amount, an Account may invest in fewer investments than anticipated and thus be less diversified. If we make an investment in a single transaction with the intent

of refinancing or selling a portion of the investment, there is a risk that we will be unable to successfully complete such a financing or sale. This could lead to increased risk as a result of the Accounts having an unintended long-term investment and reduced diversification.

**Risks of Developing Property.** Property development activities include, among others, the risks that we may abandon development projects after expending resources, construction costs of a project may exceed original estimates, occupancy rates and rents at a newly completed property may be less than anticipated and the construction and leasing of a property may not be completed on schedule. Development activities are also subject to risks relating to the inability to obtain, or delays in obtaining, all necessary zoning, land-use building, occupancy and other required government permits and authorizations.

**Properties with Limited Operating History.** Newly-developed or newly-renovated properties generally will not have any operating or performance histories that will allow us to make objective pricing recommendations in acquisitions. The purchase prices of these properties are oftentimes based upon projections by us or others as to the expected operating results of such properties, subjecting an Account to risks that such properties may not achieve anticipated operating results or may not achieve these results within anticipated time frames.

**Construction Risks.** An Account may invest directly or indirectly in existing or newly constructed properties. Investments owned by an Account may be subject to completion of construction and development. If an Account acquires a property for development or renovation, it may be subject to risks in connection with a developer's ability to control construction costs and the timing of completion of construction or a developer's ability to build in conformity with plans, specifications and timetables. In addition, development and renovation plans could be affected by delays in obtaining any necessary permits or consents from appropriate governmental agencies, strikes, adverse weather, shortages of materials and increases in the cost of labor and materials. Although we typically seek safeguards that are designed to minimize these risks, such as rights to require the tenant to purchase the property that is under development at a pre-established price designed to reimburse an Account for all acquisition and development costs, there can be no assurance that the tenants will have sufficient funds to fulfill their obligations under these agreements. The builder's failure to perform may result in tenants terminating leases. These actions may increase an Account's costs or necessitate legal action by it to rescind the purchase of a property, to compel performance or to sue for damages. Any such legal action may result in increased costs to an Account.

In addition, certain properties may be subject to conservatory easements that prohibit the development of certain activities other than those specific activities already conducted on the property, and limit the ability to materially modify the existing layouts on the property.

An Account (and/or its affiliates) may enter into guaranteed maximum price contracts with developers for the development of new construction properties. Such contracts involve counterparty risk since developers may not perform their contractual obligations in accordance with the terms of such contracts. In addition, such contracts may not be insured by surety bonds or guarantees, which would protect such entities in the event of loss or casualty. Without such protection, in the event of loss or casualty, such entities could lose their investments in such new construction properties.

**Competition.** We compete for investment and development opportunities with the following persons (among others):

- private investors;
- pension funds;
- insurance company investment accounts;

- real estate investment trusts;
- real estate partnerships;
- financial institutions; and/or
- local developers.

Many of these competitors have or may have substantially greater financial and other resources than us and may have better relationships with developers and sellers. Additionally, these competitors may enjoy significant advantages that result from, among other things, a lower cost of capital and enhanced operating efficiencies. Moreover, the number of entities and the amount of funds competing for suitable investment properties may increase. However, increased competition from competitors may adversely affect our ability to identify and consummate attractive investment opportunities, as well as the price for such investment opportunities.

There may be numerous other properties that compete with properties acquired by an Account and that compete with an Account for tenants. The number of competitive properties could have a material effect on an Account's ability to rent space at their properties and the amount of rents charged. An Account could be adversely affected if additional competitive properties are built in locations competitive with its properties, causing increased competition for customer traffic and creditworthy tenants. This could result in decreased cash flow from tenants and may require such Fund to make capital improvements to properties which it would not have otherwise made, thus affecting the investment results of an Account.

***Special Purpose Properties.*** Certain properties may not be readily adaptable to other uses such as general residential, retail or office use. Therefore, if a property becomes unprofitable for its operator due to competition, age or improvements or other factors such that the tenant becomes unable to meet its obligations under the lease, the liquidation value of the property may be substantially less than if the property were readily adaptable to other uses. The receipt of liquidation proceeds could be delayed by the approval process of any state agency necessary for the transfer of the property

***Environmental Risks.*** Under various federal and state environmental laws and regulations, owners and operators of real estate may be required to investigate and clean up certain hazardous or toxic substances, asbestos-containing materials or petroleum products released on real estate properties. These laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of hazardous or toxic substances. The presence of contamination or the failure to remediate contaminations at any such properties may adversely affect an Account's ability to sell or lease the properties or to borrow using the properties as collateral. Furthermore, a person that arranges for the disposal or transports for disposal or treatment a hazardous substance at a property owned by another may be liable for the costs of removal or remediation of hazardous substances released into the environment at that property. The costs of remediation or removal of such substances may be substantial, and the presence of such substances, or the failure to promptly remediate such substances, may adversely affect a Fund's ability to sell such real estate or to borrow using such real estate as collateral.

Environmental liabilities that may be incurred, directly or indirectly, could have an adverse effect on an Account's financial condition or results of operations and thereby adversely affect its investment results.

We typically obtain or seek to obtain Phase I environmental assessments on all properties prior to acquisition by an Account. Phase I environmental assessments are intended to identify potential environmental contamination for which properties may be responsible. Phase I environmental assessments include historical reviews of the properties, reviews of certain public records, preliminary investigations of the sites and surrounding properties, screening for the presence of hazardous substances, toxic substances and underground storage tanks, and the preparation and issuance of a written

report. Phase I environmental assessments do not include invasive procedures, such as soil sampling or ground water analysis. Thus, these environmental assessments may not reveal all environmental liabilities and there may be material environmental liabilities of which neither we nor an Account was aware.

***Investment in Non-Performing or Troubled Assets.*** We may make substantial investments in nonperforming or other troubled assets that involve a degree of financial risk and there can be no assurance that an Account's internal rate of return and/or cash multiple of invested capital objectives will be realized or that there will be any return of capital. Furthermore, investments in properties operating in workout modes or under Chapter 11 of the Bankruptcy Code may, in certain circumstances, be subject to additional potential liabilities that could exceed the value of the investor's original investment, including equitable subordination and/or disallowance of claims or lender liability. In addition, under certain circumstances, payments to the Accounts and distributions by any pooled investment fund Account to its investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment under applicable law.

***Leverage of Investments.*** We leverage or may leverage an Account's investments individually or as a portfolio (or a pool of assets in the portfolio) with non-recourse debt financing, subject to customary non-recourse carve-outs. An Account also may obtain or utilize recourse debt financing on an unsecured basis or in select situations on secured financings and it may provide, or have a subsidiary provide, guarantees in such situations. Although the use of leverage may enhance returns and increase the number of investments that can be made, it also may substantially increase the risk of loss. Additionally, use of leverage on any particular investment will increase the exposure of such investment to adverse economic factors such as rising interest rates, severe economic downturns or deterioration in the condition of the real estate investment or its market, and can impact the feasibility and/or returns in respect of any disposition as a result of applicable pre-payment penalties. This could impair such investment's ability to finance its future operations and capital needs and result in restrictive financial and operative covenants. Use of leverage at the portfolio level also exposes investments to the performance of other assets with which it is crossed. In the event a real estate investment is unable to generate sufficient cash flow to meet its principal and interest payments on its indebtedness, the value of an Account's equity investment in such real estate investment could be significantly reduced or even eliminated. Borrowings under a proposed credit facility may be secured, among other things, by the interests of the investors in any pooled investment fund Account and by their obligations to make capital contributions. Also, because certain of the single product Accounts generally intend to engage in portfolio financings and financing acquisitions where several investments are cross-collateralized, multiple investments will be subject to the risk of loss. As a result, an Account could lose its interests in performing investments in the event such investments are cross-collateralized with poorly performing or non-performing investments. Any inability of the Accounts to repay such borrowings could enable a lender to take action against the limited partners.

***Illiquidity of Investments.*** Real estate investments made by the Accounts will generally be illiquid and held for an indefinite period of time. Dispositions of such investments also may be subject to limitations on transfer or other restrictions that would interfere with the subsequent sale of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In addition, we may invest in securities of privately held companies for which there is no public market. The Accounts will generally not be able to sell these securities unless such securities are registered under applicable securities laws or unless an exemption from such registration requirements is available. In some cases, the Accounts may be prohibited by contract from selling securities for a period of time. There is also the risk that the Accounts will be unable to dispose of such securities at attractive prices or otherwise execute a successful exit strategy.

***Valuation Risks.*** It is possible for there to be situations in which we are incentivized to influence or manipulate the valuation of investments. For example, we could be motivated to overstate valuation in order to: (i) improve our or an



Account's track record, (ii) minimize losses from writedowns that must be returned prior to an affiliate receiving carried interest, or (iii) for certain Accounts, and to a lesser extent, increase fees due to the adviser, such as a management fee that is calculated as a percentage of the value of the client assets.

We generally value securities and instruments at their fair value in accordance with the Financial Accounting Standard Board's Accounting Standards Codification ("ASC") Topic 820-10, "Fair Value Measurements." To facilitate this process, we have implemented a written policy (the "Valuation Policy"), supplemented by guidance and valuation templates. If active market quotations are readily available, we generally value securities and other instruments at their market price, with a discount in certain cases of restricted securities and/or other instruments. Otherwise, securities and other instruments are valued based on management's judgment and estimation in accordance with the Valuation Policy, guidance and templates. Pursuant to the partnership agreement of the Fund, we have appointed an independent valuation firm to value investments utilizing its knowledge of conditions in the markets where the investments are located or will select and supervise third party appraisal firms to do the same.

**Third-Party Involvement.** An Account may co-invest through partnerships, joint ventures or other entities with third parties that may have economic or business or other interests or objectives that are different than or conflict with those of such Account and its investors. Such co-investments and joint ventures may involve risks in connection with such third-party involvement, including the possibility that a third party co-investor or joint venture partner may have financial difficulties, resulting in a negative impact on the investment, may have economic or business interests or objectives that are different than or conflict with those of the Accounts, or may be in a position to take (or block) actions contrary to the Accounts' investment objectives. In order to offset increased costs associated with any such joint venture an affiliate may receive fees from such third parties where such affiliates function as the manager of any such joint venture. **See Item 11.**

**Service Providers and Joint Ventures.** We, the Accounts, the general partner or manager entities and our employees may from time to time engage or retain, or cause the companies in which an Account makes investments to engage, retain or otherwise transact with, service providers and joint venture partners in connection with the operations, activities and business of an Account or one or more of its investments. Certain service providers, joint venture partners or their affiliates (including lenders, bankers and investment and commercial banking firms, introducers, accountants, attorneys or brokers) may also provide services to, serve as joint venture partners of or have business, financial, personal or other relationships or arrangements with Crow Family Holdings, CHI, Crow Holdings Capital, advisory clients of Crow Holdings Capital, certain of our senior employees and/or certain of our affiliates. In addition, one or more of an Account's service providers or joint venture partners may be investors in another Account and/or sources of investment opportunities for one or more Accounts. Certain of our employees and our affiliates have or may have ownership or financial or other interests in certain service providers and/or joint venture partners to an Account. These and other factors may influence us and our affiliates in determining whether or not to select or engage or recommend such a service provider or joint venture partner for an Account or any investment. Notwithstanding the foregoing, investment transactions for an Account that require the use of one or more service providers generally will be allocated to service providers on the basis of our judgment as to best execution, the evaluation of which may include, among other considerations, such service provider's provision of certain investment-related services and research that we believe to be of benefit to such Account.

In certain circumstances, service providers or their affiliates may charge different rates or have different arrangements for services provided to us, the general partner or manager of a pooled investment fund Account, Crow Family Holdings, CHI, Crow Holdings Capital or their affiliates as compared to service provided to Accounts and their investments, which may result in more favorable rates or arrangements than those payable by the Accounts or portfolio investments.

**Loans by the Accounts.** In connection with seeking investment opportunities, an Account may make one or more loans to an entity by which an Account holds, directly or indirectly, an investment. Any such loan made by an Account involves the risk of loss of the entire amount of such loan. Moreover, it is possible that any contemplated follow-on investment with respect to an investment may not occur, limiting such Account's ability to share in future appreciation with respect to such investment. In addition, by making such loans, an Account may be subject to various laws and regulations applicable to lenders and the holding of such loans could potentially subject such Account to "lender liability" risks.

**Credit Facilities.** The Accounts may enter into credit facilities with one or more lenders in order to, among other things, finance the acquisition of investments. Such credit facilities contain a number of covenants that, among other things, might restrict the ability of an Account and any subsidiary to acquire or dispose of investments, incur additional indebtedness, make cash distributions, make capital calls to partners, amend certain documents, such as the partnership agreement, or otherwise restrict the activities of an Account without the consent of the lenders. Economic conditions could result in higher interest rates, which could increase debt service requirements on variable rate debt and could reduce the amount of cash available for various purposes; result in lenders' ability to make capital calls to partners and/or result in an exercise of lender's remedies against the collateral securing any credit facility.

**Liabilities Upon Disposition of Investments.** In connection with the disposition of certain types of investments, Accounts may be required to make representations about the business and financial affairs of such investment typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. An Account may also be required to indemnify the purchaser of such investment or underwriter to the extent that any such representations or disclosure documents are determined to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the partners to the extent that the partners have received prior distributions from an Account, subject to certain limitations.

**Risk of Unsuccessful Exit Strategies.** We may cause an Account to (or recommend that an Account) opportunistically sell, publicly list, distribute or otherwise dispose of investments at any time. It is not possible to predict whether a particular exit strategy will be advantageous or available at the appropriate time. If an Account fails to execute an exit strategy successfully prior to the liquidation of the Account, it may be forced to liquidate its assets on terms less favorable than anticipated and the proceeds from these investments and the remaining investments may be materially and adversely affected.

**Casualty Losses; Uninsurable Losses.** We generally maintain insurance on each of the properties the Accounts acquire, including terrorism, liability, fire and extended coverage, in amounts believed appropriate relative to the risks to those properties, subject to applicable deductibles. An Account may also require, prior to lending on a given real estate asset, that the owner or property manager obtain suitable comprehensive liability, fire and extended coverage insurance for the property of the types and in the amounts customarily obtained for similar properties. There are certain types of losses, however, generally of a catastrophic nature, including those due to earthquakes, floods, hurricanes, pandemics and other acts of God, which may be uninsurable or not economically insurable. Inflation, changes in building or zoning codes and ordinances, environmental considerations, and other factors may also make it infeasible to use insurance proceeds to replace an asset if it is damaged or destroyed. Under such circumstances, the insurance proceeds received by an Account might not be adequate to restore its economic position with respect to the affected asset. If an Account is a pooled investment vehicle, its assets may be at risk in the event of an uninsured or underinsured liability. In addition, we may need to initiate litigation in order to collect from an insurance provider, which may be lengthy and expensive and which ultimately may not result in a financial award.

**Follow-On Investments.** Following an initial Investment, an Account may be asked to provide additional funds to, or have the opportunity to increase its investment in, such investment. There is no assurance that an Account will make follow-on investments or that an Account will have sufficient resources to, or be permitted to, make all such investments. Any decision by an Account not to make follow-on investments or its inability to make them may have a substantial negative impact on the original property or entity in need of such investment, may result in missed opportunities for an Account or may result in a dilution of an Account's investment (in the event alternative capital is used to satisfy such additional funding needs). If an Account makes a follow-on investment, there can be no assurance that such investment will be successful.

**Counterparty Risk.** The Accounts are subject to the risk of the inability of counterparties to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes, which could subject the Accounts to substantial losses. In an effort to mitigate such risks, we attempt to limit transactions with counterparties which we believe are established, well-capitalized and creditworthy.

**Fraud.** Of paramount concern in purchasing securities, real estate and other assets is the possibility of material misrepresentation or omission on the part of a counterparty. Such inaccuracy or incompleteness may adversely affect the valuation of an investment entity or other asset. We rely upon the accuracy and completeness of representations made by counterparties to the extent reasonable and appropriate, but cannot guarantee that such representations are accurate or complete.

**Expedited Transactions.** Investment analyses and decisions by us may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to us at the time an investment decision is made may be limited, and we may not have access to detailed information regarding the investment property. Therefore, no assurance can be given that we will have knowledge of all circumstances that may adversely affect such investment.

**Cyber Security Breaches and Identity Theft.** We, the Accounts and our service providers depend on information technology systems and, notwithstanding the diligence that we may perform on our or our clients' service providers, we may not be in a position to verify the risks or reliability of such information technology systems. We, the Accounts and our service providers are subject to risks associated with a breach in cybersecurity. "Cybersecurity" is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. Our information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although we have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, we may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in our operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm our reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect its business and financial performance. Such damage or interruptions to information technology systems may cause losses to our clients or individual investors by interfering with our operations and/or the operations of the Accounts. The Accounts may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach,

increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose us or the Accounts to civil, legal or regulatory liability as well as regulatory inquiry and/or action, and the Accounts may be required to indemnify us against any losses incurred in connection therewith. Cybersecurity issues and risks are currently a major focus area of the SEC and other regulatory authorities.

**Transactions with Investors and Co-Investors.** We and our affiliates from time to time engage in transactions with actual or prospective investors in a pooled investment fund Account, advisory clients and co-investors that entail business benefits to such investors or clients. Such transactions may be entered into prior to, or coincident with, an investor's admission to a pooled investment fund Account (or commitment to co-invest) or during the term of their investment. The nature of such transactions can be diverse and may include benefits relating to one or more advisory clients and their respective investments or portfolio companies. An Account may sell investments to any third party, including investors in a pooled investment fund Account or any other Accounts.

**Tax Law Developments.** Developments and changes in the tax laws of the United States and other jurisdictions could have a material effect on the tax consequences to Accounts and investors in any pooled investment fund Account. For example, the Tax Cuts and Jobs Act (the "TCJA") introduced significant changes in many areas of tax law that may have a material impact on a prospective investor or client's investment activities. Treasury Regulations thereunder and other guidance are still being developed and there may be additional legislation or regulations enacting technical and other corrections or other changes that may materially change the scope or the application of the TCJA. Each prospective investor or client should consult with its own tax and other advisors regarding recent tax changes and potential future changes.

**Presentation of Performance.** For most Accounts, especially those that are pooled investment funds, net performance will be calculated on an aggregate basis after taking into account all fees and expenses actually borne by investors in the client as a group, but does not take into account any taxes borne or deemed to be borne by investors (such as taxes applicable to an investor because of its domicile). With respect to any particular investment vehicle, differences in timing of an investor's investment to the vehicle and the economic and other terms applicable to certain investors therein may increase or decrease the net performance information realized by such investors and, accordingly, the actual net performance information of a particular investor may differ from the net performance information disclosed to such investors.

**Brexit.** On June 23, 2016, the United Kingdom (the "UK") held a referendum and voted to withdraw as a member of the European Union (the "EU") and a party to the Treaty on European Union and its successor treaties. On March 29, 2017, the UK delivered a letter to the EU invoking the applicable withdrawal procedures. While the UK officially withdrew as a member of the EU on January 31, 2020, it remains in a transition period during which the UK will generally continue to operate under EU rules while it continues to negotiate certain terms with respect to its withdrawal and the details regarding the ultimate outcome of the relationship between the UK and EU (and the UK and the rest of the world). Although the transition period is set to end on December 31, 2020, such period may be extended and the uncertainties surrounding the new relationship between the UK and the EU are likely to remain unknown for an extended period of time. The outcome of the referendum and the subsequent process and negotiation with respect to the UK's withdrawal have caused significant volatility in global financial markets and uncertainty about the integrity and functioning of the EU, both of which may persist for an extended period of time. Areas where the uncertainty created by the UK's withdrawal from the EU are relevant include, but are not limited to, trade within Europe, foreign direct investment in Europe, the scope and functioning of European regulatory frameworks (including with respect to the Alternative Investment Fund Managers Directive and the European Union Markets in Financial Instruments Directive), industrial policy pursued within European countries, immigration policy pursued within European countries, the regulation of the provision of financial services within

and to persons in Europe and trade policy within European countries and internationally. The volatility and uncertainty caused by the withdrawal and any other referendums may adversely affect the value of investments and our ability to achieve investment objectives.

***Epidemics, Pandemics, and Public Health Issues.*** Our business activities as well as our clients and their operations and investments could be materially adversely affected by the outbreaks of disease, epidemics and public health issues in Asia, Europe, North America, the Middle East and/or globally, such as COVID-19 (and other novel coronaviruses), Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, or other epidemics, pandemics, outbreaks of disease or public health issues. In particular, coronavirus, or COVID-19, has spread and is currently spreading rapidly around the world since its initial emergence in December 2019 and has negatively affected (and may continue to negative affect or materially impact) the global economy, global equity markets and supply chains (including as a result of quarantines and other government-directed or mandated measures or actions to stop the spread of outbreaks). Although the long-term effects of coronavirus, or COVID-19 (and the actions and measures taken by governments around the world to halt the spread of such virus), cannot currently be predicted, previous occurrences of other epidemics, pandemics and outbreaks of disease, such as H5N1, H1N1 and the Spanish flu, had material adverse effects on the economies, equity markets and operations of those countries and jurisdictions in which they were most prevalent. A recurrence of an outbreak of any kind of epidemic, communicable disease, virus or major public health issue could cause a slowdown in the levels of economic activity generally (or push the world or local economies into recession), which would be reasonably likely to adversely affect the business, financial condition and operations of us and our clients. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to worsen), we and our clients could be adversely affected by more stringent travel restrictions (such as mandatory quarantines and social distancing), additional limitations on MCM's (or our clients') operations and business activities and governmental actions limiting the movement of people and goods between regions and other activities or operations.

***General Economic Conditions.*** Changes in general global, regional and U.S. economic and geopolitical conditions may affect our or the Accounts' activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by the Accounts or considered for prospective investment. Material changes and fluctuations in the economic environment, particularly of the type experienced since 2008 that caused significant dislocations, illiquidity and volatility in the wider global economy, may affect the Accounts' ability to make investments and the value of investments held by the Accounts or the Accounts' ability to dispose of investments. The short-term and the longer-term impact of these events are uncertain, but they could continue to have a material effect on general economic conditions, consumer and business confidence and market liquidity. Any economic downturn resulting from a recurrence of such marketplace events and/or continued volatility in the financial markets could adversely affect the financial resources of entities owned by the Accounts. Additionally, during, and following, the U.S. presidential election in 2016, there has been discussion and dialogue regarding potential significant changes to U.S. trade policies, legislation, treaties and tariffs, including the North American Free Trade Agreement ("NAFTA"), as well as trade policies and tariffs affecting Canada, China, the European Union and other countries. Tariffs and other trade restrictions recently imposed by the U.S. and any further similar changes in U.S. trade policy have triggered some, and could trigger additional, retaliatory actions by affected countries, possibly resulting in "trade wars". At this time, it is unknown whether and to what extent new legislation will be passed into law, pending or new regulatory proposals will be adopted, international trade agreements will be negotiated, or the effect that any such action would have, either positively or negatively, on the Accounts or their investments. Investments can be expected to be sensitive to the performance of the overall economy. Moreover, a serious pandemic, natural disaster, armed conflict, threats of terrorism, terrorist attacks, global pandemics or outbreaks of disease and the impact of military or other action could severely disrupt global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer and business confidence may negatively impact market value, increase market volatility and reduce liquidity, all of which could

have an adverse effect on the performance of Investments, the Accounts' returns and the Accounts' ability to make and/or dispose of investments. No assurance can be given as to the effect of these events on the Accounts or their investment objectives.

**Geopolitical Risks.** An unstable geopolitical climate and continued threats of terrorism could have a material effect on general economic conditions, market conditions and market liquidity. The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for oil and gasoline and could affect certain investments financial results. Further, the United States government has issued public warnings indicating that energy assets might be specific targets of terrorist organizations. As a result of such a terrorist attack or of terrorist activities in general, such investments may not be able to obtain insurance coverage and other endorsements at commercially reasonable prices or at all. Additionally, a serious pandemic or a natural disaster could severely disrupt the global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer confidence may increase the risk of default with respect to particular investments of the Account, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, all of which could have an adverse effect on a Fund's returns and ability to make new investments. No assurance can be given as to the effect of these events on the value of or markets for investments.

**Governmental Intervention.** In 2008, the global financial markets underwent disruptions that led to certain governmental intervention. The coronavirus (COVID-19) pandemic of 2020 has also led and will likely continue to lead to substantial governmental intervention (both in the United States and abroad). Such intervention, in certain cases, was or is being implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions were or are typically unclear in scope and application, resulting in confusion and uncertainty which in itself can be materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. If governmental intervention programs are unwound, there could likewise be uncertainty and adverse effects on the markets. In the case of any future market disruptions, it is impossible to predict what interim or permanent governmental restrictions (or easing of restrictions) may be imposed on the markets or the effect of such restrictions on the Accounts' investment strategies.

**Server Infrastructure Upgrade.** Our current server infrastructure is hosted in a primary and secondary physical data center. In the event of a failure in the primary data center, the secondary data center would take over. The data is currently replicated between the two data centers and the replication process may take up to 24 hours or longer, depending on network traffic and data type, among other things. The primary data center is located in Dallas, TX and the secondary data center is located in Richardson, TX. All servers and storage are backed up digitally to a digital backup system. The backup policy consists of daily backups, monthly backups and six annual backups. In 2020, our Business Technology group will upgrade the server infrastructure to more adequately address the enterprise's needs. The new server infrastructure will include one physical data center and one cloud-based data center. Data replication will occur at the hardware level and is expected to replicate every 15 minutes, significantly reducing the replication time.

**Crow Family Holdings Risks.** As noted herein, a majority of the interests in us and the General Partners is ultimately owned by Crow Family Holdings. Crow Family Holdings currently is a passive equity owner and is not involved in our day to day management. Nonetheless, as an owner, Crow Family Holdings has the authority to take certain actions with respect to us, including the authority to remove and replace our management teams. In addition, Crow Family Holdings is oftentimes a significant investor in each Fund. Certain activities of Crow Family Holdings and members of the Crow family may present various actual and potential conflicts of interest. **See Item 10.**

***Risk of Crow Family Holdings Adverse Event on Our Operations.*** Although we are separate legal entities from Crow Family Holdings, in the event that Crow Family Holdings were to experience material financial distress, or if there were a change of control of Crow Family Holdings, we or the Accounts could nonetheless be adversely affected. In that regard, financial distress or change of control of Crow Family Holdings or us could cause us to have difficulty retaining personnel or otherwise adversely affect the Accounts and their ability to achieve their investment objectives.

**THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS AND CONFLICTS THAT MAY BE ASSOCIATED WITH THE ACCOUNTS. PROSPECTIVE CLIENTS AND INVESTORS SHOULD READ THIS BROCHURE AND ALL OTHER APPLICABLE GOVERNING, ACCOUNT AND DISCLOSURE MATERIALS IN THEIR ENTIRETY BEFORE MAKING ANY INVESTMENT DECISIONS.**

## ITEM 9: DISCIPLINARY INFORMATION

Not applicable.



## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### MATERIAL RELATIONSHIPS WITH AFFILIATED AND OTHER PERSONS

We are affiliated and share office space, service providers and certain employees, as applicable, with (i) Crow Family Holdings, a family office established to own and manage the wealth and direct the investments of, and provide various other services to, the Trammell Crow family and affiliated entities (“Crow Family Holdings”); (ii) Crow Holdings Capital Partners, L.L.C., d/b/a Crow Holdings Capital, an investment management firm and SEC-registered investment adviser (“Crow Holdings Capital”); (iii) CHI; (iv) Trammell Crow Residential Company, a multifamily real estate company (“TCR”); and (v) Crow Holdings Office, a firm that designs and builds office environments (“CHO”). A majority of our ownership interests is ultimately owned by Crow Family Holdings. While Crow Family Holdings is a passive equity owner and will not be involved in our day-to-day management, as an owner, it has the authority to take certain actions with respect to us, including the authority to replace or remove our management team. Notwithstanding the foregoing, we generally intend to keep our business activities and operations separate and independent from the business activities and operations of Crow Family Holdings and its subsidiaries (including CHI, Crow Holdings Capital, CHO and TCR) and have established procedures and guidelines in an attempt to segregate our activities from the activities of Crow Family Holdings, Crow Holdings Capital, CHI, CHO and TCR. Notwithstanding the foregoing, the activities of Crow Family Holdings, Crow Holdings Capital, CHI, TCR, CHO, their respective affiliates and the Crow family may present actual or potential conflicts of interest, including, but not limited to, the conflicts discussed in this brochure.

As described above, CHI, an industrial real estate company, is a wholly-owned subsidiary of Crow Family Holdings and is affiliated with us. Similar to MCM, a majority of the ownership interests in Crow Holdings Capital is ultimately owned by Crow Family Holdings. MCM’s, Crow Holdings Capital’s and CHI’s relationship to Crow Family Holdings (and each other) and their respective activities in the real estate industry may present potential or actual conflicts of interest from time to time. Properties and entities in which an Account may have an ownership, financial or other interest may be in direct or indirect competition with properties and entities in which other Accounts, Crow Family Holdings, CHI, Crow Holdings Capital, advisory or other clients of Crow Holdings Capital or any of their respective affiliates have an ownership, financial or other interest. In addition, any other Accounts, Crow Family Holdings, CHI, Crow Holdings Capital, advisory or other clients of Crow Holdings Capital and their respective affiliates may be subject to conflicts of interest with respect to the selling, leasing or financing of any properties owned by an Account or owned by entities in which an Account has an ownership, financial or other interest. While our business activities and operations generally will be conducted separately and independently from the business activities and operations of Crow Family Holdings, Crow Holdings Capital and CHI, certain of our officers, employees and supervised persons serve or may serve as officers, directors, employees and/or supervised persons of (or otherwise provide services to) Crow Family Holdings, Crow Holdings Capital and/or certain CHI entities. Accordingly, there may be conflicts of interest between such individuals’ duties as officers or employees or agents of us and such individuals’ duties as officers, directors, employees or agents of Crow Family Holdings, Crow Holdings Capital and/or such CHI entities. With respect to any such officers or employees, we rely on Crow Holdings Capital to maintain certain required books and records relating to dual supervised persons of both MCM and Crow Holdings Capital and other items including, without limitation, personal trading records required by Rule 204-2(a)(13) under the Advisers Act. Certain of these individuals are or may be subject to the policies and procedures of Crow Holdings Capital when performing regulated activities in addition to our policies and procedures.

The Fund has entered into a pipeline access agreement with CHI, pursuant to which the Fund has priority access to certain opportunities to pursue developments in industrial properties or interests in undeveloped real property pursued for development as an industrial property located in the United States for as long as the Fund has available capital. The Fund

also has entered into and the Fund and other Accounts expect in the future to enter into joint ventures with CHI and various CHI entities with respect to identified investment opportunities, pursuant to which CHI acts or will or may act as developer and will be entitled to receive development fees and general contractor fees (for projects where CHI serves as general contractor) or construction management fees and quality assurance fees (for projects where a third party general contractor is engaged) and, if certain hurdles and conditions are met, certain incentive-based compensation from the applicable joint venture entity. We face conflicts of interest in making decisions for the Fund or another Account on assets proposed by CHI pursuant to pipeline access agreements.

We may enter into or otherwise engage (or cause an Account to enter into or engage in) in other business dealings, transactions, arrangements or interactions with or alongside, CHI (and CHI entities) and certain of our other affiliates from time to time and such business dealings, transactions or interactions may present actual and potential conflicts of interest.

We have entered into an agreement with Standish Management, LLC (“Standish”) to provide accounting, administrative and various other services with respect to the Accounts and investment vehicles related thereto, and certain fees and expenses for such services are or may be paid by one or more of the applicable Accounts. Standish also provides accounting, administrative and other services to Crow Holdings Capital, Crow Family Holdings and various affiliates thereof (including the real estate funds managed and sponsored by Crow Holdings Capital). We may engage or retain various other service providers or vendors to provide various administrative and other services to us in respect of clients (including services designed or intended to assist us in providing advisory, management and other services to a client). In connection with such services, a service provider or vendor may have access to or otherwise be in possession of non-public personal information regarding clients and investors and other confidential information.

We, the Accounts and affiliates thereof may form or enter into joint ventures with third parties in certain instances to acquire investments. In order to offset increased costs associated with any such joint venture, we or our affiliates may receive fees from such third parties where such affiliates function as the manager of any such joint venture. Moreover, if certain hurdles and conditions are met, a joint venture partner often will be entitled to receive incentive-based compensation or carried interests from or with respect to such joint venture.

We, the general partners or manager of any pooled investment vehicle Accounts and our affiliates may from time to time engage, or cause companies or vehicles in which an Account makes investments to engage, service providers and joint venture partners in connection with the operations of such Account or its investments. Any service providers and joint venture partners of an Account (including introducers, brokers, attorneys, accountants and lenders) may be service providers or joint venture partners to or of other Accounts or any of their affiliates or our affiliates (including Crow Family Holdings). Investment transactions for each Account that require the use of one or more service providers will generally be allocated to service providers on the basis of best execution.

Specifically, an Account and its subsidiaries may enter into transactions with our affiliates for property management, construction management, leasing or similar services with respect to such Account’s investments.

## **RELATED SERVICE PROVIDERS**

Crow Family Holdings and Crow Holdings Capital provide or may provide administrative and support services to us and our affiliates and certain of our employees, officers and affiliates provide (or may in the future provide) services to, or serve (or may in the future serve) in varying capacities with respect to, CHI, Crow Holdings Capital, Crow Family Holdings or affiliates thereof. In particular, the Chief Executive Officer of Crow Family Holdings serves as a vice president or officer of MCM and

is expected to be involved in our businesses and activities in his capacity as an officer of MCM. In addition, one or more members of our Investment Committee also serve and may in the future serve on investment committees at Crow Holdings Capital, CHI or other affiliates. The administrative and support services provided by Crow Family Holdings to us, Crow Holdings Capital and CHI will include, among other things, maintaining office facilities, furnishing the services of certain personnel on a part-time basis, and furnishing certain administrative services and office supplies.

Notwithstanding the foregoing, all decisions, recommendations, consents and other determinations (including all investment advisory decisions made with respect to the Accounts) will be made exclusively by us in accordance with the terms of the applicable governing or account documents, and not by Crow Family Holdings, CHI, Crow Holdings Capital or any of their other affiliates.

#### **RECEIPT OF COMPENSATION AND OTHER BENEFITS**

Our interests and the interests of our personnel and affiliates may create potential conflicts in the selection or recommendation of investments on behalf of the Accounts. We make determinations regarding which investments to make available or recommend to Accounts in a manner we believe to be consistent with our fiduciary duties and terms, conditions, guidelines, limitations, objectives and other requirements set forth in the applicable governing, account and/or offering documents. We, our affiliates or our clients may derive ancillary benefits from certain decisions or recommendations made or transactions entered into in respect of or with certain investments.

We act as investment adviser to the Fund under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the fiduciary standards imposed upon us as a matter of law and the applicable terms, conditions, guidelines, objectives and requirements set forth in the applicable governing or account documents.

#### **OTHER ACTIVITIES AND AFFILIATIONS**

From time to time, certain of our employees and affiliates may serve as directors and officers of, and provide advice or services to, privately held entities or other real estate ventures in which our clients invest or otherwise have financial or other interests, and such employees may be required to make decisions that consider the best interests of such entities or other real estate ventures. In certain situations, conflicts of interest could arise between such individual’s duties as our officer or employee and his or her duties as a director or officer of such other entity or real estate venture.

Certain of our affiliates have engaged or may engage third-parties or consultants to provide certain consulting, strategic advisory and other services to us and/or affiliates. In consideration of such services, we or an affiliate may provide office space, administrative support and other benefits to such persons.

#### **AFFILIATED GENERAL PARTNERS OR MANAGERS**

Certain of our affiliates serve and may in the future serve as special purpose general partners or managers of one or more of the pooled investment fund Accounts. CH Industrial BTH Advisors I, L.P., a Delaware limited partnership and our affiliate (the “General Partner”), serves as the sole general partner of the Fund. While we and the General Partner are organized as separate legal entities, we collectively conduct a single advisory business with respect to the Fund. Accordingly, the General Partner relies on our investment adviser registration instead of separately registering as an investment adviser with the SEC under the Advisers Act.

With respect to each Account, we expect to be appointed, retained and engaged as sole investment manager to provide investment management, administrative and/or other services with respect to such Account.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **CODE OF ETHICS**

We have adopted and implemented a code of ethics, which sets forth standards of business conduct for our supervised persons. Our code of ethics is designed to educate supervised persons about our philosophy regarding ethics and professionalism, emphasize our fiduciary duties to clients, encourage supervised persons to comply with applicable laws, prevent the misuse of material non-public information and address material conflicts of interest that may arise from personal trading or investing by access persons. Subject to the limitations of the code of ethics, access persons may buy and sell securities or other investments for their personal accounts. We also maintain certain policies and procedures designed to prevent supervised persons from misusing material non-public information and to address certain actual and potential conflicts of interest that may arise when supervised persons accept, provide, offer or give gifts or entertainment events. We have adopted a political contributions policy to facilitate compliance with rules regarding the political activities of registered investment advisers doing business with government entities (referred to as “pay to play” rules). We cooperate and coordinate with Crow Holdings Capital regarding certain compliance-related matters applicable to our supervised persons who are also supervised persons of Crow Holdings Capital. We will furnish a copy of our code of ethics to clients upon request.

### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS; OTHER CONFLICTS OF INTEREST**

We may recommend or make investments on behalf of the Accounts in industrial real estate properties and/or other real estate or real estate related assets, properties and entities (i) in which we, Crow Family Holdings, CHI, Crow Holdings Capital, advisory clients of Crow Holdings Capital, certain of the other Accounts and/or their respective affiliates have or may have economic, business, personal, financial or other interests, or (ii) from which we, Crow Family Holdings, CHI, Crow Holdings Capital, advisory clients of Crow Holdings Capital, certain of the other Accounts and/or their respective affiliates may receive services, products or other items of value. If an Account invests in a property or other asset established, managed, sponsored, advised or controlled by us, Crow Family Holdings, CHI, Crow Holdings Capital, advisory clients of Crow Holdings Capital, certain of the other Accounts or their respective affiliates, we may have potentially conflicting loyalties and responsibilities regarding the applicable Account and such property or other asset, and certain other conflicts of interest may be inherent in the situation. We will effect these transactions in accordance with fiduciary requirements and applicable law (which may include disclosure and consent).

Various other actual and potential conflicts of interest exist (or may exist) between or among us, our principals, employees and agents, Crow Family Holdings, CHI, Crow Holdings Capital, the Crow family and/or any of their respective affiliates, on the one hand, and one or more of the Accounts, on the other hand. If any matter arises that we determine constitutes or may constitute a material conflict of interest, we may, subject to the terms and conditions set forth in the applicable account or governing documents, take such actions as we determine in good faith may be necessary or appropriate to ameliorate or otherwise address or mitigate the conflict, including, without limitation, consulting with or seeking the approval of the client, the investor(s), an applicable advisory committee or an independent third party with respect to such conflict. There can be no assurance that we will be able to resolve all conflicts of interest in a manner that is favorable to the applicable client(s).

## **CROSS AND PRINCIPAL TRANSACTIONS**

To the extent permitted by applicable law and the applicable governing or account documents, we, acting on behalf of any Accounts, may enter into or cause clients to enter into, or otherwise recommend, transactions in securities, financial instruments, properties and other assets with ourselves or our affiliates, and may cause such Accounts to engage (or otherwise recommend that Accounts engage) in principal and cross transactions. We may face conflicts of interest that could influence our decision to engage in or recommend such transactions for such Accounts. Principal transactions may occur if we, on behalf of any Accounts, engage in a transaction in securities or other instruments with ourselves or an affiliate acting as principal. We may earn compensation or receive benefits in connection with these transactions. For example, any transactions between an Account, on one hand, and another Account, on the other hand, may be deemed to be a principal transaction under Section 206(3) of the Advisers Act. Cross transactions may occur if we cause an Account to buy securities or other investments from, or sell securities or other investments to, the account of one of our affiliates. We may have conflicting loyalties and responsibilities to the parties in such transactions, and have developed policies and procedures in relation to such transactions and conflicts. We will review each of the foregoing transactions and take such steps as we deem necessary or appropriate to ensure that the terms of transactions are fair and reasonable, including, without limitation, seeking the approval of the client or investor (or a duly appointed independent representative of such client or investor) or the advisory committee of an Account with respect to such principal transaction. We will effect these transactions in accordance with fiduciary requirements and applicable law (which may include disclosure and consent).

## **VALUATIONS**

Subject to the terms and conditions of the applicable governing and account documents, the fair value of all Account investments generally will be determined in accordance with our valuation policies and procedures. In certain instances, we or an affiliate may retain an independent third party to conduct an appraisal of all or a portion of an asset or property. All valuation determinations with respect to a client or its assets or investments generally will be conclusive, final and binding on such client and its applicable investors.

## **DIFFERENCES AMONG CLIENT ACCOUNTS; OTHER ACTIVITIES**

Our decisions and actions and recommendations may differ among or between Accounts. Advice given or recommendations made to, or investment decisions or recommendations made for or on behalf of, one or more Accounts may compete with, affect, differ from, conflict with, or involve timing different from, advice or recommendations given or investment or other decisions made for or on behalf of other Accounts.

In the course of our activities, including activities and recommendations on behalf of the Accounts, we may acquire confidential information or otherwise become restricted in our investment activities. In such event, we may not be free to act upon such confidential information in the course of performing our duties for clients, and we may not be able to initiate a transaction for an Account that we otherwise would have initiated, with the result being that we are unable to purchase or dispose of a property or other asset. Such restrictions would apply even if we were not involved in, and could not have benefitted from, the receipt of such information.

## **OTHER POTENTIAL CONFLICTS**

The legal and/or organizational or governing or account documents of an Account or the agreements in respect of an investment generally will establish complex arrangements among the parties. Questions may arise from time to time under

these agreements regarding the parties' rights and obligations in certain situations, many of which may not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, may be broad, general, ambiguous or conflicting, and may permit more than one reasonable interpretation. At times there may not be a provision directly applicable to a situation. While we will construe the relevant agreements in good faith and in a manner consistent with our legal obligations, the interpretations adopted may not be, and need not be, the interpretations that are the most favorable to a client or investors.

## ITEM 12: BROKERAGE PRACTICES

### ALLOCATION OF INVESTMENT OPPORTUNITIES

We may face actual and potential conflicts of interest in allocating investment opportunities between or among applicable Accounts (including conflicts as a result of differences in the financial or fee structure of any Accounts that would potentially participate in any such opportunity). Our general policy will be to allocate investment opportunities among our applicable clients in a manner we determine in our sole discretion to be fair and equitable under the circumstances and in accordance with the applicable governing, account and/or disclosure documents of each Account. **See Item 6.**

Except as otherwise set forth in the applicable governing, offering and/or account documents of an Account, we generally will not be required to accord exclusivity or priority to any Account with respect to any particular investment opportunities (nor will we be required to recommend or make any investment opportunity available to any Account). To the extent a particular investment opportunity may be appropriate or suitable for more than one Account (as we determine in our discretion), such investment generally may be allocated, offered or otherwise made available only to one or more or none of such applicable Account(s) or between or among one or more of such applicable Accounts in accordance with our general allocation principles and procedures, the terms of the applicable governing and account documents and various factors and considerations deemed relevant or appropriate by us in our sole discretion. We or our affiliates may engage in transactions or investments or cause or advise other clients to engage in transactions or investments that may differ from or be identical to the transactions or investments engaged in by us or our affiliates for or the advice given by us with respect to another client's account.



## **ITEM 13: REVIEW OF ACCOUNTS**

### **REVIEWS OF ACCOUNTS**

Our investment committee of MCM generally reviews and approves all investment and disposition decisions and financing decisions with respect to each discretionary Account and uses reasonable and appropriate efforts to ensure that investments made by or on behalf of the Accounts are consistent with the investment objectives, policies and guidelines set forth in the applicable governing and/or account documents. Appropriate records, research and due diligence files will be maintained with respect to each investment made by an Account. Additionally, our Investment Committee will provide oversight of Account investments through regular meetings and, at least annually, reviews of each investment, including applicable budget, forecast and projection.

With respect to accounting matters, an independent public accounting firm may be engaged by us or an affiliate to conduct an annual audit of any pooled investment vehicle Account.

### **FACTORS TRIGGERING ADDITIONAL REVIEWS**

In addition to periodic reviews, additional reviews may be undertaken in response to, among other things, changes in market or economic conditions, changes in the underlying real estate assets or other investments, or changes in an Account's investment objectives or policies.

### **REPORTS**

We provide clients and investors with periodic unaudited financial statements (which may include a balance sheet, income statement and statement of partners' capital) and, with respect to pooled investment vehicle Accounts, including the Fund, annual audited financial statements (including a balance sheet, income statement, and statement of partners' capital). After the close of each taxable year, we expect to provide investors in a pooled investment vehicle Account, including the Fund, with tax information for the preparation of their respective federal income tax returns. We may provide other reports and information to investors or clients from time to time pursuant to the terms and conditions of the applicable governing and account documents.

## ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Except as set forth in **Item 12** or as otherwise described in the applicable offering or governing documents with respect to an Account, we currently do not and do not expect to receive any economic benefit from any person who is not a client for providing investment advice or other advisory services.

### REFERRALS

We may enter into agreements or arrangements with solicitors or third party placement agents who refer clients or investors to us. For their referral or placement agent services, such persons may receive compensation from us (or our affiliates) which may be (i) a percentage of the management fee and/or performance-based fee, (ii) allocation paid to us or our affiliates by such investors and clients, (iii) a percentage of an investor's or client's commitment, or (iv) a flat fee. Investors and clients generally will not be charged any higher or additional fee as a result of such agreements or arrangements. However, in certain instances, referral fees and expenses may be borne by one or more clients, subject to the applicable offering, governing or account documents. In every instance, all arrangements and payments of referral fees will be disclosed to applicable investors or clients.

## ITEM 15: CUSTODY

We generally have and/or may be deemed to have custody of all or a portion of an Account's cash and securities. To the extent required by Rule 206(4)-2 under the Advisers Act, each Account's cash and securities (other than "privately offered securities," as defined in Rule 206(4)-2 under the Advisers Act) will be held with one or more qualified custodians selected by us or an affiliate (or by the applicable client or investor). Subject to the terms of the applicable governing documents, we or the applicable client or investor may change custodians at any time and from time to time. With respect to a pooled investment vehicle Account, a PCAOB-registered independent public accountant selected by us or the applicable general partner or manager (or the applicable investor) generally will conduct annual audits of such Account, and audited financial statements (prepared in accordance with generally accepted accounting principles) will be provided to investors in such Account on an annual basis in accordance with the applicable requirements of Rule 206(4)-2 under the Advisers Act.

With respect to any Accounts other than pooled investment vehicles, we do not expect to have custody of the cash and securities in any such Account.

## **ITEM 16: INVESTMENT DISCRETION**

### **DISCRETIONARY AUTHORITY**

Subject to the terms and conditions of the applicable governing or account documents, we may either (i) have discretionary power and authority over the types and amounts of investments to be bought or sold with respect to a client or (ii) provide non-discretionary advice and recommendations with respect to an Account, where we make investment recommendations and the applicable investor or client or advisory committee of an Account has the ultimate responsibility and discretion to determine whether or not to take or implement or approve our recommendations. With respect to a non-discretionary Account, we may have the authority or responsibility to arrange or effect any investment that is approved in advance by the applicable investor or client or the advisory committee established with respect to an Account.

With respect to any potential investment that we desire to pursue on behalf of the Fund pursuant to the pipeline access agreement, the advisory committee of the Fund will have the ability to approve or reject the potential investment.

### **LIMITED POWER OF ATTORNEY**

Investors in one or more of the Accounts may grant a limited power of attorney to us and/or our affiliates in order to enable us or our affiliates take certain actions with respect thereto. In general, we and/or an affiliate may have a limited or special power of attorney with respect to an Account in order to permit us to manage and operate such Account in accordance with the terms of the applicable governing or account documents.

## **ITEM 17: VOTING CLIENT SECURITIES**

The Fund invests and each Account is expected to invest indirectly in real estate and real estate related assets, so we generally do not expect to be called upon to vote proxies at this time with respect to publicly traded securities. Nevertheless, in the event that we or any of our affiliates are called upon to vote proxies, we will vote proxies in accordance with the policies and procedures set forth in our compliance manual. In general, our policy will be to vote proxy proposals, amendments, consents or resolutions in a manner that serves the best interests of the applicable Accounts, as determined by us or our affiliates. Copies of our proxy voting policy, together with any information regarding how we have voted past proxies, if any, will be made available to our clients upon request.

## **ITEM 18: FINANCIAL INFORMATION**

We do not have any financial commitment that impairs our ability to meet contractual and fiduciary commitments to our clients, nor have we been the subject of any bankruptcy proceeding.

## **GENERAL INFORMATION**

### **PRIVACY POLICY**

We have adopted policies and procedures that we believe are reasonably designed to protect various records and information of clients and investors and to detect, prevent and mitigate identity theft. Except as otherwise disclosed to clients or investors, set forth in our privacy notice or authorized by each client and/or investor, private information about clients and/or investors is disclosed only as permitted by applicable law to our affiliates and service providers, including our accountants, administrators, attorneys, brokers, custodians, and transfer agents, and to financial institutions pursuant to joint agreements between such institutions and us.