

**Item 1 - Cover Page**

**Form ADV Part 2A: Firm Brochure**

**Landmark Realty Advisors, LLC**

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**July 2, 2021**

This Brochure provides information about the qualifications and business practices of **Landmark Realty Advisors, LLC** (“**LRA**”, “**us**”, “**we**” or “**our**”). If you have any questions about the contents of this Brochure, please contact Antoinette Lazarus, Managing Director, Head of Secondaries Compliance, at (860) 651-9760 or [antoinette.lazarus@landmarkpartners.com](mailto:antoinette.lazarus@landmarkpartners.com). 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.

We are a registered investment adviser. Registration with the SEC as an investment adviser does not imply that LRA or any of its principals or employees possess a particular level of skill or training in the investment advisory business. The oral and written communications of an investment adviser provide you with information which you may use to determine to hire or retain an investment adviser.

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

Unless otherwise indicated, the term “**Landmark Partners**” or the “**Firm**” is broadly used within this Brochure to refer to the entire Landmark Partners enterprise and not to a specific legal entity.

## Item 2 - Material Changes

LRA makes changes throughout this Brochure in an effort to improve and clarify the descriptions of its and its affiliates' business practices and compliance policies and procedures or in response to evolving industry and Firm practices.

LRA updates this Item 2 - Material Changes annually and when material changes occur since our last annual update. The date of the most recent prior amendment to our Brochure was April 9, 2021, which followed the Annual Updating Amendment of March 30, 2021.

Additionally, LRA updates this Item 2 – Material Changes during the annual period to reflect material changes and/or enhancements. As further described within each relevant Item in this July 2, 2021 Brochure, LRA now makes the following material changes and/or enhancements:

Item 4 –Advisory Business: In its previously filed Brochure, Landmark disclosed that on March 30, 2021, Landmark Partners, LLC (“LP LLC”), which wholly owns LEA, entered into a definitive agreement (the “Transaction”) with Ares Management, LLC (“Ares Management”), a subsidiary of Ares Management Corporation “Ares Corp”)( NYSE: ARES). The Transaction closed on June 2, 2021. Although the Transaction resulted in a change of control of LP LLC, the underlying general partners of the funds managed by LRA will remain the same, and investment processes and investment decision authority, along with responsibility for the day-to-day operations, will remain with LLP LLC and LRA. LRA has updated Item 4 to reflect the closing of the Transaction.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss: Although not materially changed, LRA updated Item 8 to enhance its methods of analysis and risk disclosures to generally reflect integration and alignment with Ares Management.

Item 9- Disciplinary Information: LRA updated Item 9 to disclose an entry by Ares Management into a settlement order with the SEC on May 26, 2020.

Item 10 - Other Financial Industry Activities and Affiliations: LRA has updated Item 10 to reflect additional financial industry activities and affiliations, including affiliations with other investment advisers and a limited purpose broker-dealer related to Ares Management as a result of the closing of the Transaction.

Item 11 – Code of Ethics: LRA updated Item 11 to reflect that LRA and its employees are now subject to the Ares Management code of ethics.

Item 14 - Client Referrals and Other Compensation: LRA updated Item 14 to similarly reflect that LRA’s engagement with the Ares Management affiliated limited purpose broker-dealer as a placement agent for certain private fund investor referrals.

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#### Item 4 - Advisory Business

Landmark Realty Advisors, LLC (“**LRA**”, “**us**”, “**we**” or “**our**”) is part of an advisory business known as “Landmark Partners” or the “Firm” comprising all Affiliated Advisers (defined below) including LRA and other advisers as described below (collectively, “**Landmark**”). The advisory business primarily includes investment and portfolio analysis services for the benefit of its “secondary” real estate funds and co-investment funds (each a “**Landmark Fund**” or “**Fund**,” and collectively, the “**Landmark Funds**” or “**Funds**”). LRA also provides advice with respect to co-investment transactions that are sponsored by managers or general partners of private investment funds, however, for the avoidance of doubt, the vehicles involved in such transactions are not considered clients of Landmark or LRA. LRA is a wholly-owned subsidiary of Landmark Partners, LLC (“**LP LLC**”).

LRA tailors its advisory services to the specific investment objectives and restrictions of each Landmark Fund or other client pursuant to the investment guidelines and restrictions set forth in such client’s confidential private placement memorandum, limited partnership agreement and/or other governing documents (collectively, the “**Governing Documents**”). Investors and prospective investors of each Landmark Fund should refer to the Governing Documents of the applicable Landmark Fund for complete information on the investment objectives and investment restrictions with respect to such Landmark Fund. There is no assurance that any of the Landmark Funds’ investment objectives will be achieved.

In accordance with common industry practice, one or more of the Landmark Funds’ general partners enter into “side letters” or similar agreements with certain investors pursuant to which the general partner grants the investor specific rights, benefits, or privileges that are not made available to investors generally.

As disclosed in the prior Brochure filed in April 2021, on March 30, 2021, LP LLC entered which wholly owns LEA and including the 60% then owned by Brightsphere, entered into a definitive agreement (the “**Transaction**”) with Ares Management, LLC (“**Ares Management**”), a subsidiary of Ares Management Corporation (“**Ares Corp**”) (NYSE: ARES). The Transaction closed on June 2, 2021. As a result of the closing of the Transaction, LP LLC and LRA became a wholly owned subsidiary of Ares Management, an SEC registered investment adviser. The indirect principal owner of Ares Corp is Antony P. Ressler, who with certain other members of the senior management team members, indirectly controls Ares Corp through intermediate holding companies.

Although the Transaction resulted in a change of control of LP LLC, the underlying general partners of the funds managed by LRA will remain the same, and investment processes and investment decision authority, along with responsibility for the day-to-day operations, will remain with LLP LLC and LRA. Please see Item 10 for more information on the Ares affiliates, including those that are investment advisers and a limited purpose broker-dealer registered with the Securities and Exchange Commission (“SEC”).

## Investment Funds

LRA provides investment management services primarily focusing on real estate investments in sponsored privately offered pooled investment vehicles. Along with Landmark Equity Advisors, L.L.C. an affiliated registered investment manager wholly owned by LP LLC (together, with LRA, the “**Affiliated Advisers**”), our secondary funds of funds have been a leading source of liquidity to owners of interests in private equity, venture, mezzanine, buyout, real assets and real estate limited partnerships since 1989. LRA was formed/registered in 1996.

LRA clients include the Landmark Funds (which include the co-investment funds), sub-advised accounts and acquisition vehicles. Our clients consist mainly of privately offered pooled investment vehicles (“**Funds of Funds**”) that acquire, and hold as investments, interests in other real estate funds, partnerships and other private real estate investment vehicles (“**Underlying Funds**”). The Funds of Funds are “secondary” funds of funds, acquiring interests in the Underlying Funds from existing investors.

LRA provides investment advisory services to the Landmark Funds on discretionary and non-discretionary basis. The investors in the Landmark Funds we advise are pension and profit-sharing plans and other institutional investors including, without limitation, endowments, foundations, trusts, estates, sovereign wealth funds, insurance companies and banks, as well as high-net-worth individuals.

Currently, LRA provides investment advisory services to the following Landmark Funds which include the co-investment funds (and any of their respective feeder vehicles):

Landmark Real Estate Partners V, L.P., Landmark IAM Real Estate Partnership V, L.P., Landmark Real Estate Partners VI, L.P., Landmark Real Estate Partners VI Offshore, L.P., Landmark Real Estate Partners VI OPERS Co-Investment, L.P., Landmark Real Estate Partners VII, L.P., Landmark Real Estate Partners VII Offshore, L.P., Landmark Real Estate Partners VII-IP Co-Investment, L.P., Landmark Real Estate Partners VII OPERS Co-Investment, L.P., NCL Investments, L.P. – RE Series, Landmark Real Estate Partners VIII, L.P., Landmark Real Estate Partners VIII Offshore, L.P., Landmark Real Estate Partners VIII Co-Investment Fund L.P., Landmark Real Estate Partners VIII-A, L.P., Landmark Real Estate Partners VIII Offshore Co-Investment Fund, L.P., NCL Investments II, L.P. – RE Series, and Landmark Real Estate Partners VIII-Campbell Co-Investment, L.P.

The Landmark Funds are offered exclusively to accredited investors, qualified clients, and/or qualified purchasers, and are not required to register as investment companies under the Investment Company Act of 1940, as amended (the “**Company Act**”), in reliance upon certain exemptions available to private investment funds whose securities are not publicly offered. LRA generally acts as the investment adviser of each Landmark Fund.

Landmark tailors its advisory services to the specific investment objectives and restrictions of each Landmark Fund and other client pursuant to the investment guidelines and restrictions set forth in each such client’s Governing Documents.

## Acquisition Vehicles

From time to time, LRA forms special purpose vehicles (“**Acquisition Vehicles**”) to acquire certain assets (including secondary transactions) by one or more Landmark Funds and/or other investors. The beneficial and legal owners of these special purpose vehicles may be one or more of the Landmark Funds, the seller of the assets, or unaffiliated co-investors. The ownership interest of Landmark Funds with an interest in these special purpose vehicles is reflected in the respective Landmark Fund’s records and audited financial statements.

The Acquisition Vehicles are not listed in Form ADV Part 1, Section 7.B.(1) Private Fund Reporting. However, to the extent Landmark provides continuous and regular supervisory or management services to such vehicles, their gross asset values and Regulatory Assets Under Management (“**RAUM**”) are reflected in the respective Landmark Fund’s gross asset value and Form ADV Part 1, Item 5.F.(2), respectively.

We will from time to time cause a Fund or client to purchase or sell interests in a particular Underlying Fund from a related adviser, provided that such investments are consistent with the client’s strategy and are made on a basis that does not involve the payment of an additional fee to us or the related adviser.

Investors and prospective investors of each Landmark Fund or client should refer to their respective Governing Documents for complete information on the investment objectives and investment restrictions with respect to such client. There is no assurance that any of the Landmark Funds’ or client accounts’ investment objectives will be achieved.

As of December 31, 2020, the Affiliated Advisers collectively managed on a discretionary basis Regulatory Assets under Management (which represent: Gross Asset Value + Uncalled Commitments) of \$19,319,118,952 and \$1,484,849,030 on a non-discretionary basis. These metrics are calculated by aggregating across all Funds and clients for which the Affiliated Advisers provide continuous and regular supervisory or management services.

As of December 31, 2020, LRA managed RAUM of \$5,155,100,373 on a discretionary basis and \$605,500,192 on a non-discretionary basis.

See Item 10 for information with respect to LRA’s other affiliations.

## Item 5 - Fees and Compensation

### *Advisory Fees*

For our investment advisory services, we receive advisory fees and incentive fees. Subject to our discretion, advisory fees may be negotiated.

Advisory fees are paid by the Landmark Funds, which include the co-investment funds, and by other clients. The amount of advisory fees varies by client. Typically, each Landmark Fund has an investment period, consisting of a fixed time period, during which the advisory fee is determined by applying the applicable fee percentage to the amount of the Landmark Fund’s committed capital. Generally, after the end of the investment period, either the same fee percentage or a

different fee percentage is applied to a base amount representing the amount of the Fund's reported value or invested capital, depending on the Fund in accordance with the specific terms of the Governing Documents.

For certain Funds that have extended their original fund term, we waive advisory fees. For certain co-investment and acquisition vehicles, we also can and have waived such fees.

We are authorized under the Governing Documents to charge and deduct advisory fees directly from the Landmark Funds. Payments of advisory fees are generally made quarterly in advance and in accordance with the terms of the Governing Documents. Please refer to the Governing Documents of each of the Landmark Funds or other client account for complete information on the timing of advisory fee payments.

LRA bills advisory fees to each client and fees are deducted by LRA from client assets. For example, advisory fees can be paid out of distributions received by a Fund. In addition, to obtain cash to pay advisory fees, LRA may call down committed capital from investors and/or draw down from the line of credit, where available, depending on the Fund. Advisory fees vary depending on the terms of the Fund or other client account. Specific details concerning advisory fees are set forth in the Governing Documents of the applicable Landmark Fund or client account.

#### *Withdrawals, Redemptions and Terminations*

Generally, withdrawals from the Funds are not permitted; however, investors subject to ERISA and governmental plans may have a limited right to withdraw from a Fund if continued participation by those investors would violate ERISA or applicable law or the investors' internal policies.

Upon termination of a Landmark Fund, any prepaid, unearned advisory fees will be refunded, and any earned, unpaid fees will be due and payable.

#### *Performance-based Fees*

See Item 6 below for information with respect to performance-based fees.

#### *Other Costs and Expenses*

Our advisory fees are exclusive of other fees, costs, expenses, liabilities and obligations that the Landmark Funds and clients will incur, which are borne by and payable out of the assets of the respective Landmark Fund or client and not by LRA. These costs include, but are not limited to, those for custodians, administrators, registrars, consultants or other third-party service providers, legal counsel, accountants, appraisers, depositaries, insurance, finders, transaction costs associated with any investment or divestment (whether or not consummated), costs and expenses arising out of borrowings and guarantees, taxes and other governmental charges, costs related to regulatory reporting or filing obligations, costs incurred in implementing or maintaining third-party or proprietary software tools, programs or other technology (including subscription-based services) and other organizational and operating expenses. Further, such costs include fees and expenses incurred in connection with underlying investments, such as the management fees, organizational, and operating expenses charged by the Underlying Funds in which the Landmark Funds hold



investments. In each case the costs that are born by the respective Landmark Fund or client are more particularly described in the Governing Documents of such Fund or client. Fund operating expenses specifically include expenses charged to the Funds due to the due diligence costs of evaluating prospective deals even though such deals were not consummated (“**broken deal expenses**”).

In certain circumstances, the relevant Landmark Fund’s general partner is expected to permit certain investors to co-invest in portfolio investments alongside one or more Landmark Funds, subject to LRA’s related policies and the relevant Landmark Fund’s Governing Documents and/or side letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Landmark Funds. Generally, in the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the applicable Landmark Fund’s general partner, ultimately is not consummated, all broken deal expenses relating to such proposed transaction will be borne by the Landmark Fund(s), and not by any potential co-investors, that were to have participated in such transaction. Furthermore, arrangements with certain formal co-invest partners may not allow LRA to charge broken deal expenses to such co-invest partner’s vehicle unless LRA has demonstrably allocated a portion of the investment to such vehicle, and consequently a Landmark Fund will bear all broken deal expenses attributable to such vehicle.

Placement agent fees are borne by us (as the investment adviser) and if paid by a Fund, reduce the advisory fees payable to us, and are allocated to the specific limited partner associated with such placement agent.

#### **Item 6 - Performance-Based Fees and Side-By-Side Management**

The Landmark Funds and clients we advise generally pay performance-based fees or make carried interest distributions to the general partners, so that the members of the general partners (certain of whom are also our members and officers) are entitled to receive a percentage of the cumulative distributions made by the Landmark Funds or clients after their limited partners or investors have received distributions equal to their total capital contributions plus a pre-determined preferred return. Primary investments are not subject to carry unless made in conjunction with a secondary investment.

More detailed information about a particular Landmark Fund’s or other client account’s performance-based fees and arrangements is set forth in the applicable Governing Documents.

Carried interest distributions can create incentives for us to recommend investments which are riskier or more speculative than those which would be recommended under a different fee arrangement. They can also create an incentive for us to allocate investment opportunities to a Fund or a client account with a higher carried interest rate. More generally, the potential for LRA and its affiliates to receive different performance-based fees or other remuneration from different accounts creates a potential conflict of interest with respect to the allocation of investment opportunities because LRA or its affiliates may have an incentive to direct the best investment ideas to, or to allocate investments in favor of, the account that pays a more favorable performance fee or allocation. In instances in which we believe such conflicts are likely to arise, the Governing



Documents of the applicable Landmark Funds or client accounts prescribe specific factors to be considered by us in allocating investment opportunities among all participating clients.

Generally when making allocation decisions, we consider a variety of factors including, among others, the investment objective of each relevant client account, the sourcing of the investment opportunity, the composition of the portfolios of each of the client accounts, and the risks and obligations associated with these portfolios, available capital, risk tolerance, and investment objectives and guidelines of each such client account, the aggregate size of the investment, including whether follow-on investments may be required, the investment strategy and restrictions or other obligations or requirements related to the proposed investment, legal, tax, regulatory and other considerations, and the availability of other investment opportunities. In addition, the method of allocating investment opportunities changes over time, particularly as each client's investment period comes to an end. Although we seek to allocate investment opportunities in a fair and equitable manner, decisions as to the allocation of investment opportunities which may present conflicts of interest may not always be resolved in the manner that is favorable to the interests of a particular Fund or client.

Following the Transaction, LRA Funds or clients have interests in funds or clients managed by Ares Management or its affiliates ("**Ares Funds**"), and in the future may acquire, subscribe for or otherwise purchase an interest in the Ares Funds provided that the sale or purchase is consistent with the Governing Documents and LRA's fiduciary obligations to each such Fund or clients. In these situations, while LRA will endeavor at all times to act in the best interests of its Funds and clients, receipt of compensation from each of the Clients and contribution of additional capital by a Client to another Client may create potential conflicts of interest. Please refer to Item 8, "Investments in Ares Funds" for additional information on the management of potential conflicts.

## **Item 7 - Types of Clients**

### *Types of Clients and Investment Vehicles*

LRA's clients include the Landmark Funds (which includes the co-investment funds), and acquisition vehicles. Investors in the Landmark Funds, or other acquisition or co-investment vehicles include, without limitation, pension and profit-sharing plans, endowments, foundations, trusts, estates, sovereign wealth funds, insurance companies and banks, as well as high-net-worth individuals.

### *Minimum Investment Requirements*

LRA and its related entities generally require that each investor in the Landmark Funds be an "accredited investor" as defined in Regulation D under the Securities Act of 1933 (the "**Securities Act**"). In addition, LRA and its related entities generally require that each investor in each of the Landmark Funds be a "qualified purchaser" as defined in the Company Act.

In general, the minimum investment commitment required of an investor to participate in a Landmark Fund ranges from \$5,000,000 to \$10,000,000; however, the general partner of each Landmark Fund has discretion to increase or reduce the minimum investment commitment and such minimum investment requirement does not apply to all Landmark Funds. Investors are

requested to refer to the Governing Documents of each of the Landmark Funds for complete information on minimum investment requirements for participation in a particular Landmark Fund.

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

We typically acquire real estate investments through the purchase of interests in established real estate funds, partnerships, and other private real estate investment vehicles. The key elements of our investment process are the following:

*Deal Sourcing.* We generate proprietary deal flow through an extensive network in the investment and real estate communities and through our reputation as a frequent, reliable provider of liquidity to investors in private real estate funds and partnerships. At times we pay related and unaffiliated third-parties for deal sourcing opportunities.

*Due Diligence and Evaluation Procedures.* We seek to analyze the real estate investments and portfolios of such investments, including investments in the revenue streams of sponsors of such investments, which may be acquired by the Landmark Funds and client accounts based upon the investment strategy and focus of the underlying funds, the relevant experience of the underlying funds' managers, the past performance of related funds, if any, and other information deemed appropriate. As part of our due diligence, we perform detailed reviews of the funds or sponsors whose interests are being offered. This involves an analysis of the respective general partner's historical investment record and the success of the Underlying Fund in achieving its investment return expectations to date; valuations of the currently held properties; and generating liquidity and cash flow projections. Attention is also given to under-performing investments and strategies for recovery; compliance with loan covenants; estimated timetables for future capital calls; and confirmation that there are no impediments to an orderly transfer of partnership interests. If the investment is deemed appropriate to pursue after preliminary due diligence, the investment team prepares a cash flow model, which projects the internal rate of return and multiple of invested capital to the Landmark Fund or client to limited partners over the life of the investment being acquired.

Upon completion of the due diligence process, including a review of the Underlying Fund sponsors' ESG policy (covering environmental, social and governance), our investment committees, which generally consists of five or six partners who have been closely involved in the review process since the deal was brought to the attention of the investment team, vote to approve or reject the deal.

*Negotiations and Closings.* Upon reaching agreement on price and terms, the client typically executes a letter of intent and negotiates the definitive purchase agreement with the counterparty, and obtains all sponsor consents necessary to acquire the investments.

*Sources of Information.* Our principal sources of information regarding the underlying real estate investments may include, but are not limited to, private offering memoranda, financial and business reports, interviews with the Underlying Funds' managers, a quantitative assessment of the managers' track record, reference checks on the Underlying Funds' managers and market information provided by third-party research providers, direct real estate buyers, appraisers and brokers.

*Ares Integration.* As stated elsewhere in this Brochure, Landmark is now owned by Ares and therefore is integrating with certain Ares infrastructure and methodologies. Landmark and Ares believe this will further promote long-term value creation and enhance the other's investment strategies and portfolio management.

## **Risks of Loss**

**Investing in securities involves risk of loss that clients should be prepared to bear.**

Investments in the Landmark Funds and clients' accounts involve a high degree of risk and should be regarded as speculative. Investing in the Landmark Funds, or other client accounts, should be considered only by institutions and individuals who can reasonably afford a loss of their entire investment. The risks involved with our investment strategies include, but are not limited to the following:

***The below list of risk factors does not purport to be a complete enumeration of the risks involved in an investment in a Landmark Fund or client. Further, not all risks described are applicable to all Funds or clients. Prospective investors are requested to refer to the governing documents of the applicable Fund or client for more complete information on investment strategies employed and the corresponding risks associated with such investment strategies.***

### *General Market Risk in a Global Economy*

Underlying investments can be affected by conditions in the global financial markets and economic and political conditions throughout the world. Conditions include for example those relating to interest rates, supply chains, availability and cost of credit, inflation, uncertainty, changes in laws and taxation, social unrest, politics, and other tensions and circumstances. The below risk descriptions further articulate examples of associated risks, but there remains an overarching general market risk inherent in a global economy.

### *Monetary Policy and Government Intervention*

In recent years, in addition to other governmental actions to stabilize markets and seek to encourage economic growth as well as in response to the global COVID-19 pandemic, the U.S. Federal Reserve (the "Federal Reserve") and global central banks, including the European Central Bank, have acted to hold interest rates to historic lows. It cannot be predicted with certainty when, or how, these policies will change, but actions by the Federal Reserve and other central banks may have a significant effect on interest rates and on the U.S. and world economies generally, which in turn can affect the performance of investments or the ability to realize investment objectives.

### *Restrictions on Transactions Due to Other Ares Businesses*

Ares and its affiliates engage in a range of advisory and related businesses. Activities of one could impact activities of another, and this impact could include raising additional conflicts of interest or even precluding an otherwise suitable investment or related activity. While Landmark and Ares believe that the Transaction will provide benefits to clients, restrictions in trading, investment,

advisory and related activities could occur, including from the result of contractual provisions, duties, and other restraint mechanisms.

#### *Nature of Investment in a Landmark Fund*

Investment in a Landmark Fund requires a long-term commitment by investors who are required to contribute substantial amounts of capital to the Landmark Fund with no certainty of return. Investors who are unable or unwilling to comply with their capital contribution obligations risk, among other things, forfeiture of a portion, and possibly all, of their investment in a Fund. Accordingly, prospective investors and clients should assure themselves that they have sufficient available capital assets to support their capital commitments.

#### *Illiquid Nature of Investment in the Funds*

Investments in the Landmark Funds and other client accounts are highly illiquid. Investors may not redeem their interests and may be unable to transfer or liquidate their investments during the term of the applicable Landmark Funds or accounts (as indicated in the applicable Governing Documents).

Investment in the Landmark Funds and other client accounts requires a long-term commitment, with no certainty of return. In the early life of the Landmark Fund or other client account, cash flow available to the investors is likely to be limited. The Funds' and other clients' portfolio investments will be highly illiquid, as will investments invested by Underlying Funds, and there can be no assurance that a Landmark Fund or an Underlying Fund will be able to realize on such investments in a timely manner. Dispositions of investments may require a lengthy time period and/or may result in distributions in kind to investors.

#### *Nature of Underlying Fund Investments*

The success of each of the Underlying Funds (and, as a result, a large measure of a Landmark Fund's, or other client's, portfolio success) is subject to those risks which are inherent in real estate investments undertaken by such Underlying Funds. These risks are generally related to (i) the ability of each of the Underlying Funds to select and manage successful investment opportunities; (ii) the quality of the management of each property in which the Underlying Funds invest; (iii) the ability of the Underlying Funds to liquidate their investments; and (iv) general economic conditions. There can be no assurance that the investments by the Underlying Funds will result in attractive rates of return to a Landmark Fund or other client. Generally, LRA will not be able to participate in the management and control of the Underlying Funds in which Landmark Funds or other clients hold investments nor of the real estate properties in which the Underlying Funds have invested. Consequently, LRA will not be able to control the amount or timing of distributions the Landmark Funds or other clients receive from the Underlying Funds, which may affect investors' returns.

#### *Failure by Other Investors to Meet Capital Calls of Underlying Funds*

A Landmark Fund or other client, directly or indirectly, may be one of many investors in Underlying Funds, many of which typically will require capital contributions to be made over an extended period of time. Failure by one or more other investors to meet a capital call of an

Underlying Fund could have adverse consequences for a Landmark Fund or other client. The Underlying Fund may be permitted to require the Landmark Fund and other investors in the Underlying Fund to contribute additional capital to satisfy the shortfall. If the Underlying Fund is unable to raise sufficient capital to consummate the proposed investment, the underlying fund's manager may not be able to, among other things, diversify its portfolio, which could adversely affect the performance of such Underlying Fund and could also result in such underlying fund's investments being concentrated in relatively few industries and regions. Furthermore, such Underlying Fund may not have sufficient capital to contribute capital to existing portfolio investments necessary to ensure their ongoing financial stability. If multiple investors fail to meet capital calls from a particular underlying fund, such Underlying Fund could default on its obligations, which could result in the termination of such underlying fund, causing a lower return, or potentially a loss, on the Landmark Fund's investments.

*Failure by Landmark Investors to Meet a Capital Call*

A Landmark Fund, like the Underlying Funds, typically requires investors to make capital contributions over an extended period of time. If investors in a Landmark Fund fail to meet a capital call, such Fund may default on all or a portion of a capital call for the Underlying Fund or the number of portfolio investments that such Fund may make could be reduced. A Fund may have a large number of investors, any of which could fail to meet a Fund capital call. In addition, if an investor fails to meet a capital call of a Fund, the general partner of such Fund may require each non-defaulting investor to make an additional capital contribution (but not in excess of each such non-defaulting investor's available commitment) to make up for the shortfall.

*General Partner May Retain and Reinvest Proceeds of Investments and Recall Distributions*

The amount and timing of distributions by a Fund will be in the sole discretion of the Fund's general partner, who may also direct amounts otherwise distributable in respect of proceeds or distributions from an Underlying Fund to be used to satisfy, or establish reserves for, any of a Landmark Fund's current or anticipated obligations (including, without limitation, advisory fees and any other Fund expenses as well as obligations relating to other Underlying Funds, including among others, making additional capital contributions and follow-on investments in respect thereof). These determinations of a Fund's general partner shall be conclusive and binding upon the investors. If a Fund receives, directly or indirectly, distributions or proceeds from an Underlying Fund and retains (or recalls) and reinvests such amounts, the amount so reinvested (up to the amount of capital used to make such investment) will generally not reduce the amount of any limited partner's outstanding unpaid capital commitment.

A Landmark Fund may at any time recall distributions made to its limited partners. Recalls may be made to satisfy expense and indemnity obligations of the Fund itself or to satisfy recall requests received from the Underlying Funds. A Fund or its Underlying Funds may require recontributions of distributions for various reasons, including as a result of the use of over-commitment strategies, to satisfy indemnification, reimbursement, contribution and similar obligations or because capital had been returned to its limited partners without having been invested or having been invested for only a short period of time. Amounts recalled generally will not reduce a limited partner's remaining capital commitment.

*Underlying Funds May Make Commitments in Excess of Their Capital Commitments*

Certain Underlying Funds may make commitments to real estate properties in excess of the total capital committed to such Underlying Funds. As a result, in certain circumstances, an Underlying Fund may need to retain distributions from its investments or recall distributions or liquidate certain of its investments prematurely at potentially significant discounts to market value if the Underlying Fund does not generate sufficient cash flow from its investments to meet these commitments. Likewise, a Landmark Fund may also be exposed to these risks if the Landmark Fund does not generate sufficient cash flow to satisfy its recall obligations to the Underlying Funds.

*Past Performance Is Not Necessarily Indicative of Future Results of the Funds*

At the initiation of any client account, or at such time as investors invest in any of our Landmark Funds, the portfolios typically have no prior operating history upon which an investor or client can base its prediction of success or failure. The results of earlier investment Funds formed by us or our affiliates, or other client accounts managed by us or our affiliates, are not necessarily indicative of the results that a new Fund will achieve.

*Material Non-Public Information*

As a result of the extensive operations of Landmark and its affiliates as well as investments made by the Funds or other clients, Landmark (and, in certain circumstances, investors) may come into possession of confidential or material, non-public information. Therefore, Landmark and its affiliates might have access to material, non-public information that might be relevant to an investment decision to be made by the Funds or clients. Consequently, the Funds or clients may be restricted from the purchase or sale of an investment that, if such information had not been known to Landmark, may have otherwise been undertaken. To the extent any investor is aware of any such confidential or material, non-public information, such investor may be restricted with respect to its own investment or other activities and/or be subject to certain laws, regulations or rules with respect to such confidential or material, non-public information.

*Currency Fluctuations*

Certain Funds and client accounts invest a portion of their capital outside the United States in non-U.S. Dollar denominated securities. Because such investments involve non-U.S. Dollar currencies and because a Fund or a client account may hold funds in bank deposits in such currencies during the completion of its investment program, the Fund or the client account may be adversely affected by changes in currency rates (including as a result of the devaluation of the U.S. Dollar or a foreign currency or a failure of the common European currency) and in exchange control regulations. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund or the client account), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Fund, the client, and/or the limited partners with respect to the Fund's income, and possible non-U.S. tax return filing requirements for the Fund, the client, and/or the limited partners.



In addition, commitments of a Fund or other client account to Underlying Funds may increase as a result of adverse changes in currency rates. While limited partners, investors and clients will not be required to increase their commitments to the Fund or client account in order for the Fund or client account to meet such obligations, the Fund or client account may need to recall distributions or liquidate certain of its investments prematurely at discounts to market value if the Fund or client account does not generate sufficient cash flow from its investments to offset the amount of the devaluation. Conversely, fluctuations in currency rates may also result in the Fund's, or client's account, capital being less than fully invested in an underlying fund. Although the Fund or client may choose to seek to protect the economic value of its investments (and those of any underlying investment) through currency hedging, the financial instruments available to hedge the currencies of certain markets in which the Fund or client may invest may be less effective or economical than financial instruments used to hedge the currencies of other jurisdictions.

#### *Risks Associated with Hedging Activities*

Landmark Funds or other clients may choose, but are not required, to seek to protect the economic value of investments (and investments in Underlying Funds) through currency hedging, security hedging or other hedging strategies, including swaps, short sales, forward contracts or options. While such transactions themselves may reduce certain risks, such transaction themselves may entail certain other risks. The risks posed by these transactions include, but are not limited to, interest rate risk, market risk, the risk that these complex instruments and techniques will not be successfully evaluated, monitored or priced, the risk that counterparties will default on their obligations, liquidity risk and leverage risk (please see "Risks Relating to the Use of Leverage by the Underlying Funds"). Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives. In addition, it may not be possible to enter into a hedging transaction, if at all, at a price sufficient to protect the Fund from the anticipated decline in the value of the portfolio position. Moreover, for a variety of reasons, a Fund or other client, or the Underlying Funds or properties may not be able to establish a perfect correlation between the hedging instrument and the investment being hedged. This imperfect correlation may prevent the Fund or a client from achieving the intended hedge or expose it to risk of loss. The successful use of these hedging strategies depends upon the availability of a liquid market and appropriate hedging instruments, and there can be no assurance that the Fund or client account will be able to close out a position when deemed advisable by us. Hedging transactions also involve additional costs and expenses, which may adversely affect the overall performance of the Fund, a client, the Underlying Funds or the portfolio investments. There can be no assurance that the Fund, a client, the Underlying Funds or properties will engage in hedging transactions at any given time or from time to time, or that these transactions, if available, will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect.

#### *Risks Relating to the Use of Leverage by the Underlying Funds*

The Underlying Funds and/or their properties may use leverage for a variety of purposes, including, but not limited to, acquiring, directly or indirectly, new investments, leveraging existing investments to permit distributions or additional investments, facilitating hedging activities and bridging funding for investments in advance of capital calls. Leverage generally magnifies opportunities for gain and risk of loss from a particular investment. The leverage used by the Underlying Funds may take the form of indebtedness for borrowed money as well as financial



leverage in the form of short sales, forward contracts, options, derivatives, and other similar transactions, which may expose the Fund to greater risks than if the Underlying Funds did not use leverage. This leverage could accelerate and magnify declines in the value of an underlying fund's investments in a down market. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast. Gains made with borrowed funds generally would cause the Underlying Funds' value to increase faster than without borrowed funds. However, losses incurred with borrowed funds would cause the Underlying Funds' value to decrease faster and more significantly than without the use of borrowed funds. Money borrowed for the purpose of leveraging investments will also be subject to interest costs as well as financing, transaction and other fees and costs that may not be recovered by returns on the Underlying Funds' investments or other investment positions taken by the Underlying Funds. In addition, the use of leverage by an Underlying Fund may also result in tax-exempt limited partners of the Fund, or a tax-exempt client, incurring a tax on unrelated business taxable income.

### *Business Disruption Risk*

The Affiliated Advisers and their service providers are susceptible to business disruptions resulting from catastrophic and other material events (e.g. a pandemic) that could negatively impact our ability to continue to transact business. Business continuity and disaster recovery plans have been developed that seek to identify and plan for potential disruptions. Any significant limitation on the use of our facilities or our software applications, operating systems and networks, could result in financial losses.

### *General Market Risks*

Investments made by our Funds are materially affected by conditions in the global financial markets and economic and political conditions throughout the world, such as interest rates, the availability and cost of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to our taxation, taxation of our investors and the possibility of changes to regulations applicable to alternative asset managers), trade policies, commodity prices, tariffs, currency exchange rates and controls and national and international political circumstances (including wars and other forms of conflict, terrorist acts, and security operations) and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes and pandemics could materially affect our business to the extent it materially affects global economies or global financial markets. These factors are outside of our control and may affect the level and volatility of securities prices and the liquidity and value of investments, and we may not be able to or may choose not to manage our exposure to these conditions, which may result in adverse consequences for our Funds and result in substantial losses to our Funds.

Global financial markets have experienced heightened volatility in recent periods, including as a result of economic and political events in or affecting the world's major economies. For example, the June 2016 referendum in the U.K. in favor of exiting the EU and subsequent ongoing uncertainty regarding the terms of the exit, hostilities in the Middle East region, recent U.S. presidential and congressional elections and resulting uncertainties regarding actual and potential shifts in U.S. and foreign, trade, economic and other policies, and concerns over increasing interest rates (particularly short-term rates) and uncertainty regarding the long-term effects of tax reform in the United States, have precipitated market volatility. More recently, market uncertainty and

volatility have been magnified as a result of the global COVID-19 pandemic as well as the upcoming 2020 U.S. presidential and congressional elections and resulting uncertainties regarding actual and potential shifts in U.S. and foreign, trade, economic and other policies, as well as rising trade tensions between the United States and China and hostilities between the United States and Iran. Any escalation of such tensions and hostilities would likely exacerbate these dynamics.

### ***Outbreaks of Infectious or Contagious Diseases and Public Health Emergencies***

Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and the current outbreak of COVID-19, have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to Landmark's Funds and other clients.

Currently, there is an ongoing outbreak of COVID-19, which the World Health Organization formally declared in March 2020 to constitute a global "pandemic." This outbreak has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including "stay-at-home" and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. As a result, COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to both volatility and, in some cases, a severe decline in financial markets. Among other things, these unprecedented developments have resulted in material reductions in demand across many categories of consumers and businesses, dislocation (or in some cases a complete halt) in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, steep increases in unemployment levels in the U.S. and several other countries, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of COVID-19 – and the resulting precipitous decline in economic and commercial activity across almost all of the world's largest economies – on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects, including a further global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible. The extent of COVID-19's impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative, financial and monetary policy interventions designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if, and as, the spread of the COVID-19 virus itself is substantially contained and economies are able to fully "re-open," it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-

economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact on and result in significant losses to the Landmark Funds and other clients. The extent of the impact on their investments' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of a Fund or client, or their respective underlying investments, to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Landmark client intends to pursue, all of which could adversely affect such client's ability to fulfill its investment objectives. These factors may also impair the ability of underlying investments or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Landmark Funds, Landmark's other clients, the underlying investments and Landmark may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance. Since March 15, 2020, all of our employees have been working remotely unless a specific business need requires presence in an office. Our existing technology platform enables our employees to work remotely and to do so effectively. However, an extended period of remote work arrangements could strain our business continuity plans, introduce operational risk, including but not limited to cybersecurity risks, and impair our ability to manage our business.

#### *Enhanced Scrutiny and Regulation of the Private Fund Industry*

The advisory business of the Affiliated Advisers and their Funds, as well as the financial services industry generally, are subject to extensive regulation, including periodic examinations, by governmental agencies and self-regulatory organizations or exchanges in the U.S. and foreign jurisdictions in which they operate relating to, among other things, antitrust law, anti-money laundering laws, anti-bribery laws, laws relating to foreign officials, tax laws and privacy laws with respect to client information and the regulatory oversight of the trading and other investment activities of alternative asset management funds and their investment advisers. Each of the regulatory bodies with jurisdiction over our Affiliated Advisers and Funds has the regulatory powers dealing with many aspects of financial services, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular activities. Any failure to comply with these rules and regulations could expose Landmark and the Funds to liability or other risks.

### *Dependence on Key Professionals*

The ability of a Fund to achieve its investment objective will be dependent on the diligence, skill, judgement, business contacts and personal reputations of senior professionals or other key personnel. These individuals possess substantial experience and expertise in investing, are responsible for locating and executing the investments of the Funds, and have significant relationships with the institutions that are the source of many of the investment opportunities. Therefore, the departure of one or more of these individuals could have a material adverse effect on the ability of the Funds to achieve their investment objectives, cause certain underlying investors to withdraw capital or otherwise have a material adverse effect on our business or the business of the Affiliated Advisors. Further, if such individuals join competitors or form competing companies, it could result in the loss of significant investment opportunities.

### *Environmental Considerations*

The underlying investments of the Landmark Funds and clients may be exposed to substantial risk of loss from environmental claims arising in respect of investments made in properties with undisclosed or unknown environmental problems or as to which inadequate reserves have been established, as well as from occupational safety issues and concerns. An underlying investment may become directly liable as an owner of the property or through the exercise of certain remedies with respect to the debt held by the original property owner. Under various federal, state, local and other applicable laws, ordinances and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws may impose joint and several liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability, therefore, as to any property are generally not limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the owner's ability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on a Fund's returns. In addition, even in cases where the underlying investment is indemnified against losses and liabilities arising out of violations of environmental laws and regulations, there can be no assurance as to the financial ability of the indemnifying party to satisfy such indemnities or the ability of the underlying investment to achieve enforcement of such indemnities.

### *Capital Calls and Use of Subscription Lines and Asset-Backed Facilities*

A Fund's general partner may cause a Fund to incur indebtedness to finance investments, organizational expenses, fund expenses and the payment of any investment advisory fees (the collateral for which can be, for example, one or more assets of the Fund, *i.e.*, asset-backed facilities, or the undrawn commitments of investors, *i.e.*, subscription lines) prior to calling Commitments. For administrative convenience, capital calls, including those used to pay interest on subscription lines, asset-backed facilities and other indebtedness, may be "batched" together into larger, less frequent capital calls, with a Fund's interim capital needs being satisfied by the fund borrowing money from such credit facilities. The interest expense and other costs of any such borrowings will be fund expenses and, accordingly, may decrease net returns of the Fund. In addition, the batching of capital calls may amplify the magnitude of potential defaults by limited

partners as a result of there being fewer but larger capital calls. To the extent a subscription facility is due upon demand by a lender, such a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of liquidity constraints on limited partners and/or limited partners facing similar capital calls in multiple funds and being unable to satisfy all such demands simultaneously. Finally, the existence of a subscription facility may impair a limited partner's ability to transfer its interest in a Fund as a result of restrictions imposed on such transfers by the lender. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return. As a result, the use of a subscription facility with respect to investments and ongoing capital needs may reduce or eliminate the preferred return received by the limited partners and accelerate or increase distributions of carried interest to a general partner. As a general matter, use of leverage in lieu of drawing down Commitments amplifies IRRs (either negative or positive) to limited partners. In light of the foregoing, the General Partner has an incentive to fund the acquisition and ongoing capital needs of investments and the Fund with the proceeds of such borrowings in lieu of drawing down Commitments on a just-in-time basis.

#### *Effect of Fees and Expenses on Returns*

Each of the Underlying Funds in which a Fund or client invests generally (i) pays (or requires its limited partners to pay) its respective general partner and investment adviser or manager certain fees; and (ii) bears certain costs and expenses. Those fees, expenses and costs are in addition to those of the Fund described in the offering documents of such Fund or the client's investment management agreement. Such fees and expenses are expected to (and may materially) reduce the actual returns to limited partners and clients. Fees and expenses of the Funds and clients and the Underlying Funds in which the Fund or client invests will generally be paid regardless of whether the Fund, client or the Underlying Funds produce positive investment returns.

#### *Risks Relating to Non-U.S. Investments*

Certain Funds and clients invest in portfolio investments, and directly and indirectly in properties, that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund or client portfolio), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on investors and clients with respect to the income, and possible non-U.S. tax return filing requirements for investors and clients. The foregoing factors may increase transaction costs and adversely affect the value of the Fund's, or client's, portfolio investments.

Additional risks of non-U.S. investments include but are not limited to: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; and (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction. Moreover, non-U.S. portfolio investments may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. portfolio investments.



The risks of loss described herein should not be considered to be an exhaustive list of all the risks which investors in the Funds or clients should consider. Investors and clients should refer to the respective Fund's private placement memorandum and organization documents for additional information on risk factors and risk of loss as well as any investment management agreements.

### *Cybersecurity Risks*

Recent events have illustrated the ongoing cybersecurity risks to which companies are subject. To the extent that a portfolio investment or Underlying Fund is subject to cyber-attack or other unauthorized access is gained to such portfolio investment or underlying fund's systems, such portfolio investment or Underlying Fund may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) financial information, including investor financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. In certain events, a portfolio investment or underlying fund's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio investment, an Underlying Fund or the Fund to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Landmark or one of its service providers holding its financial or investor data, Landmark, its affiliates or the Fund may also be at risk of loss, despite efforts to prevent and mitigate such risks.

### *GDPR Compliance Risk*

Data protection and regulations related to privacy, data protection and information security could increase costs, and a failure to comply could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations of an Underlying Fund or a portfolio investment.

Underlying funds and portfolio investments are subject to regulations related to privacy, data protection and information security in the jurisdictions in which they do business. As privacy, data protection and information security laws are implemented, interpreted and applied, compliance costs may increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

EU data protection law currently in effect is derived from the Data Protection Directive (Directive 95/46/EC) and has been implemented by national legislation across all 28 EU member states. On May 25, 2018, the General Data Protection Regulation (EU 2016/679) (the "GDPR") replaced the existing legislation. The GDPR seeks to harmonize national data protection laws across the EU, whilst at the same time, modernizing the law to address new technological developments. As a regulation, the GDPR will be binding on data controllers and data processors in all EU member states, immediately upon coming into effect, without the need for implementation in each member state. The GDPR notably has a greater extra-territorial reach and will have a significant impact on data controllers and data processors either with an establishment in the EU, or which offer goods or services to EU data subjects or monitor EU data subjects' behavior within the EU. The new regime imposes more stringent operational requirements on both data controllers and data processors, and introduced significant penalties for non-compliance with fines of up to 4% of total

annual worldwide turnover or €20 million (whichever is higher), depending on the type and severity of the breach.

The current ePrivacy Directive will also be repealed by the EU Commission's Regulation on Privacy and Electronic Communications (the "**ePrivacy Regulation**") which aims to reinforce trust and security in the digital single market by updating the legal framework regarding the "right to a private life" for users of electronic communications. The latest draft text of the ePrivacy Regulation is in the process of being finalized by the Council of the EU (with support from the Committee of Permanent Representatives), however, it is not expected to reach agreed form until mid-2021, at the earliest. After such time, the ePrivacy Regulation will become subject to trilogue negotiations (between the Council of the EU, the European Parliament and the European Commission) and is therefore not expected to enter into force before 2023. A compulsory grace period of a maximum of two years will then apply to allow EU Member States to implement the ePrivacy Regulation before it is brought into effect.

Compliance with current and future privacy, data protection and information security laws could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and some of our current and planned business activities. A failure to comply with such laws could result in fines, sanctions or other penalties, which could materially and adversely affect results of operations and overall business, as well as have an impact on reputation.

### **Potential Conflicts of Interest**

Unless context otherwise requires, references in the "Potential Conflicts of Interest" section to Landmark Funds include private funds and other client accounts advised by LRA. LRA and its related entities, including but not limited to the other Affiliated Advisers, engage in a broad range of advisory and non-advisory activities. LRA will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Landmark Funds in an appropriate manner, as required by the relevant Governing Documents, although the Landmark Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of LRA conducting its activities, the interests of a Landmark Fund may conflict with the interests of LRA, one or more other Landmark Funds or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, LRA will determine all matters relating to structuring transactions and Landmark Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Landmark Funds.

### *Other Investment Activities*

LRA and its principals and employees carry on investment activities for their own accounts and for family members and friends who do not invest in the Landmark Funds, and may give advice and recommend securities to other accounts which differs from advice given to, or securities recommended or bought for, the relevant Landmark Fund, even though their investment objectives could be the same or similar.



LRA currently provides, and expects in the future to provide, advice to other Landmark Funds, including vehicles that follow investment programs substantially similar to that of its current Landmark Funds. LRA is allowed to give advice, or take actions with respect to, the investments of one or more Landmark Funds that it does not give or take with respect to other Landmark Funds with similar investment programs, objectives or strategies. As a result, Landmark Funds with similar strategies may not hold the same securities or achieve the same performance. In addition, it is possible that a Landmark Fund is not able to invest through the same investment vehicles or does not have access to similar credit or utilize similar investment strategies as another Landmark Fund. These differences may result in variations with respect to price, leverage and associated costs of a particular investment opportunity in which multiple Landmark Funds invest.

As noted above, LRA and its affiliates, its principals, and employees will devote as much of their time to the activities of the Landmark Funds as they deem necessary and appropriate. Except as set forth in the Landmark Funds' Governing Documents, Landmark is not restricted from forming additional Landmark Funds, from entering into other investment advisory relationships, or from engaging in other business activities, even though such activities may be in competition with the Landmark Funds and/or may involve substantial time and resources of LRA, the general partners, and their respective principals and employees. These activities could be viewed as creating a conflict of interest in that the time and effort of LRA, the general partners and their principals and employees will not be devoted exclusively to the business of a particular Landmark Fund but will be allocated among the businesses of various Landmark Funds.

*Potential Conflicts Relating to the Allocation of Investment Opportunities among Different Investment Vehicles*

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

In allocating investment opportunities, LRA must first determine, in its sole discretion, which Landmark Fund(s) will, or are required to, participate in the relevant investment opportunity. LRA generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund's Governing Documents. When making allocation decisions, the investment objective of the Landmark Funds does not have to be the dispositive factor; rather, LRA, in its sole discretion, considers, among other considerations, the sourcing of the investment opportunity, the composition of the portfolios of the Landmark Funds, the composition of the Underlying Funds' portfolios and the risks and obligations associated with those portfolios, available capital, risk tolerance, and investment objectives and guidelines of each Landmark Fund, the aggregate size of the investment, including whether follow-on investments may be required, the investment strategy and restrictions or other obligations or requirements related to the proposed investment, legal, tax, regulatory and other considerations, and the availability of other investment opportunities. For example, a newly organized Landmark Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. LRA can change over time the method of

allocating investment opportunities, particularly as the end of a Landmark Fund's investment period approaches. Landmark Funds can collectively invest together with other Landmark clients in the manner set forth in the relevant Governing Documents and LRA's allocation procedures. Although LRA intends to allocate investment opportunities in a fair and equitable manner, decisions as to the allocation of investment opportunities present numerous conflicts of interest, and resolution is not always favorable to each Landmark Fund or client, and, therefore, the limited partners' interests.

LRA has formed and, in the future, will form additional vehicles to co-invest, in whole or in part, with a Landmark Fund. Some of these vehicles have only been, and in the future will only be, entitled to participate in portions of an investment that LRA has determined or will determine to not allocate to a Landmark Fund. Certain other vehicles, however, have been and in the future will be entitled to a share of an investment opportunity ("**Additional Accounts**"). Furthermore, LRA has in the past and will in the future permit certain other persons and/or investment vehicles (including other investment vehicles managed by Landmark) to co-invest with a Landmark Fund. Other than with respect to Additional Accounts, allocations will be made in the sole discretion of LRA and may result in the investments being made on different terms or in different securities by such other vehicles. Conflicts of interest typically arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by LRA, may not be in the best interests of a Landmark Fund or any individual limited partner. In exercising its discretion in connection with such co-investment opportunities, LRA may consider some or all of a wide range of factors, which may include the likelihood that a limited partner may invest in a future fund sponsored by LRA or its affiliates or the size of a limited partner's commitment. These types of co-investments may result in conflicts regarding decisions relating to an investment, including with respect to timing of disposition or strategic objectives. Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by LRA or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities may, and typically will, be offered to some and not to other limited partners. When and to the extent that employees and related persons of LRA make capital investments in or alongside a Landmark Fund, Landmark is subject to conflicting interests in connection with these investments. LRA's allocation of co-investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some persons relative to others. In addition, LRA or an affiliate thereof may receive compensation for management and other services performed in connection with co-investments made in Underlying Funds.

#### *Other Vehicles Advised by Landmark*

Until such time as LRA is permitted to raise a successor investment fund to a Landmark Fund, LRA will generally pursue all appropriate investment opportunities that meet the investment criteria of such Landmark Fund principally for the benefit of such Landmark Fund, subject to certain exceptions set forth in the Governing Documents. However, LRA currently manages multiple Landmark Funds and investments and may direct certain relevant investment opportunities to certain Landmark Funds and investments but not others. In addition, LRA may spend a portion of its business time and attention pursuing investment opportunities that do not fall within the investment objectives of a Landmark Fund for other investment funds and vehicles

and other than on behalf of a Landmark Fund (including successor funds of such vehicles) and investment vehicles related to such Landmark Fund, including managed accounts and Additional Accounts formed to generally co-invest with such Landmark Fund. After such an investment is made, LRA will continue to manage and monitor such investment funds and investments. LRA believes that its significant investment in a Landmark Fund, as well as the general partners' interest in the carried interest, operate to align, to some extent, the interest of such general partners and LRA (in its capacity as the general partner of such general partners) with the interest of the limited partners, although LRA has economic interests in such other investment funds and investments as well and may receive investment advisory fees and carried interests relating to these interests. Such other investment funds and investments that LRA may control may compete with the Landmark Funds and/or their portfolio investments. At such time as LRA commences investment activities for a successor investment fund to a Landmark Fund, LRA will continue to manage such Landmark Fund's investments, but also may and likely will focus its investment activities on other opportunities and areas unrelated to the Landmark Fund's investments.

#### *Transactions Between Affiliated Funds*

Although uncommon, from time to time a Landmark Fund may enter into a transaction (directly or indirectly) whereby the Fund purchases securities from, or sells securities to, other Landmark Funds, co-investors or co-investment vehicles when LRA believes such transactions are appropriate and in the best interests of the Landmark Funds. Such transactions raise potential conflicts of interest, including where the investment of a Landmark Fund supports the value of portfolio investments and/or assets owned by other Landmark Funds. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represents what would ultimately be the underlying investment's fair value. LRA intends that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to a Landmark Fund under the circumstances, including consideration of the potential present and future benefits with respect to the Landmark Fund.

#### *Conflicting Investor Interests*

Limited partners of a Landmark Fund may have conflicting investment, tax, and other interests with respect to their investments in the Landmark Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by LRA regarding an investment that may be more beneficial to one limited partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, LRA generally will consider the investment and tax objectives of a Landmark Fund and its limited partners as a whole, and not the investment, tax, or other objectives of any limited partner individually.

#### *Secondary Transfers*

In certain cases, LRA will have the opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Landmark Fund. In such cases, LRA is not expected to receive compensation for identifying such transferees and will use its discretion to select such transferees

based on suitability and other factors, and unless required by the relevant Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Landmark Fund interests should be offered to one or more existing Landmark Fund investors.

#### *Allocation of Fees and Expenses*

Subject to any relevant restrictions or other limitations contained in the Governing Documents of the Landmark Funds, LRA will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, LRA may be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Landmark Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by LRA or its affiliates using their best judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of Landmark Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size. The Landmark Funds have different expense reimbursement terms, including with respect to advisory fee offsets, which may result in the Landmark Funds bearing different levels of expenses with respect to the same investment. If a co-investment vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by a Landmark Fund. Generally, in the event that a transaction in which a co-investment was planned, including a transaction in which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the applicable Landmark Fund's general partner, ultimately is not consummated, all broken deal expenses relating to such unconsummated transaction will be borne by the Landmark Fund(s), and not by any prospective co-investors, that were to have participated in such transaction. Furthermore, arrangements with certain formal co-invest partners may not allow LRA to charge broken deal expenses to such co-invest partner's vehicle unless LRA has demonstrably allocated a portion of the investment to such vehicle, and consequently a Landmark Fund will bear all broken deal expenses attributable to such vehicle.

#### *Investments by Landmark Affiliates, Principals and Employees*

LRA, its affiliates, and equity holders, officers, principals and employees of LRA and its affiliates may buy or sell securities or other instruments that LRA has recommended to a Fund. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by a Landmark Fund. Such transactions are subject to the policies and procedures set forth in LRA's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Landmark Fund. Employees and related persons of LRA have, and are expected to continue to have, capital investments in or alongside certain Landmark Funds, and therefore may have additional conflicting interests in connection with these investments.

### *Advisory Fee Considerations*

Because there is a fixed investment period after which capital from investors in a Landmark Fund may only be drawn down in limited circumstances, and because advisory fees are, at certain times during the life of a Landmark Fund, based upon capital invested by such Landmark Fund, this fee structure may create an incentive to deploy capital when LRA may not otherwise have done so.

### *Principal and Cross Transactions*

Section 206 of the Investment Advisers Act of 1940, as amended (“**Advisers Act**”), regulates principal transactions among an investment adviser and its affiliates, on the one hand, and clients thereof, on the other hand. The Advisers Act generally requires that, when an investment adviser or an affiliate of the adviser proposes to purchase a security from, or to sell a security to, an advisory client (what is commonly referred to as a “principal transaction”), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client’s consent to the transaction. From time to time, LRA or any of its affiliates may make investments prior to the initial closing that are designated by LRA as investments warehoused for a Landmark Fund. Any such warehoused investments will generally be identified in writing to the prospective investors that become such Landmark Fund’s limited partners prior to the time of their admission. In the event of a principal transaction, LRA intends to obtain the consent of the limited partners or participating Landmark Fund’s advisory committee, unless a Governing Document allows or prescribes a different course of action.

Landmark may cause a Landmark Fund or client to engage in a “cross transaction” via the purchase or acquisition of a limited partner (or equivalent) interest from or sale or transfer of a limited partner (or equivalent) interest to another Landmark Fund or client, provided that the transfer is consistent with Landmark’s fiduciary obligations to each Landmark client participating in the cross transaction. These transactions may arise when, for example, parallel Landmark Funds or other Landmark clients rebalance their portfolios at their final closing, or when a Landmark Fund or other client has warehoused an investment prior to the initial closing of a separate Landmark client (including, for example, a successor Fund).

### *Potential Conflict Relating to Carried Interest*

The existence of the carried interest creates an incentive for us to make riskier or more speculative investments than would be the case in the absence of such arrangements. However, LRA believes that a general partner’s significant commitment to a Landmark Fund and the general partner’s clawback obligation in certain Landmark Funds should somewhat reduce this incentive.

### *Ares Related Conflicts of Interest*

Upon the closing of the Transaction, LP LLC and LRA became indirectly wholly owned by Ares Corp. Because Ares Corp and Ares Management have other activities beyond owning Landmark Partners In addition, as a consequence of Ares Corp’ status as a public company, the officers, directors, members, managers, operating executives and employees of Ares Management and LP LLC and LRA may take into account certain considerations and other factors in connection with the management of the business and affairs of LP LLC, LRA, the Funds and their respective affiliates that would not necessarily be taken into account if Ares Corp were not a public company,



including incentives relating to the interests of Ares Management Corporation (NYSE: ARES) shareholders that may differ from, and could conflict with, the interests of the Funds and their limited partners. Various potential and actual conflicts of interest may arise from the overall investment activities of Ares Corp, Ares Management, LP LLC, LRA, their general partners, investment advisers and their respective affiliates. The following briefly summarizes some of these conflicts but is not intended to be an exhaustive list of all such conflicts. Any references to Ares Corp, Ares Management, LP LLC, LEA and LRA their respective affiliates in this section will be deemed to include their respective affiliates, partners, members, shareholders, officers, directors and employees, to the extent applicable.

LRA, LP LLC, and their affiliates or their principals or personnel may acquire material non-public information or other confidential information in connection with their activities. Such persons may not be free to share such information with the Funds, the Fund may not be free to act upon any such information and the possession of information by persons associated with Ares Management may preclude the Funds from engaging in transactions that it might otherwise have undertaken. In addition, Ares Funds may hold positions in securities or other assets or be subject to contractual or legal restraints that could prevent the Funds from being able to initiate a transaction that it otherwise might have initiated or to sell an investment that it otherwise might have sold or, in its judgment, such position(s) or restraint(s) may make such a transaction inadvisable. The investment activities of one or more Ares Funds may be inconsistent with the investment activities of the Funds. Furthermore, subject to Ares Management's Investment Allocation Policy, Ares Management may have or develop business relations through its other businesses or have duties to Ares Funds that an investment advisor may consider in determining whether to undertake a transaction, with the result that the Funds may not participate in certain transactions in which it might otherwise have participated.

#### Ares Management Policies and Procedures.

Specified policies and procedures may be implemented by Ares Management to mitigate conflicts of interest and address certain regulatory requirements and contractual restrictions, which may reduce the synergies across Ares Management's various businesses that LRA and their Funds expect to draw on. Because Ares Management has many different asset management businesses, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses, and to protect against the inappropriate sharing and/or use of information between LRA and the other business units at Ares Management, Ares Management may implement certain policies and procedures, including regarding the sharing of information (e.g., information walls), that may reduce the positive synergies that the Funds might otherwise potentially realize. There can be no assurance, however, that any such policies and/or procedures will be effective in accomplishing their stated purpose and/or that they will not otherwise adversely affect the ability of the Funds to effectively achieve its investment objective by unduly limiting the investment flexibility of the Funds and/or the flow of otherwise appropriate information between LRA and other business units at Ares.

Subject to applicable law and the Fund Governing Documents, the Funds may, directly or indirectly, make primary investments and acquire secondary investments in Ares Fund, as well as other vehicles, accounts or special purposes vehicles established or managed by Ares Management

or its affiliates. If the Funds invest, directly or indirectly, in an underlying Ares Fund, limited partners will pay the fees (including advisory fees), expenses and carried interest of the Funds and will also indirectly pay the fees (including management fees), expenses and carried interest of the underlying Ares Fund. Such amounts will not offset advisory fees payable by the limited partners or otherwise be rebated to, or shared with, the limited partners. If a Fund is a direct or indirect investor in an Ares Fund, Ares Management might have a conflicting division of loyalties and responsibilities regarding the Fund and such Ares Fund, and certain other conflicts of interest would be inherent in the situation. For example, because the advisory fee is based on the “reported value” (i.e., the value reported by the controlling person of the underlying fund) at certain points during the term of the Fund, Ares Management or its affiliates, as the general partner or manager of an underlying fund, will have the ability to determine the amount of the advisory fee payable by the limited partners to Ares Management or its affiliates with respect to such underlying fund. In certain cases, the Fund may also, directly or indirectly, acquire investments from, or sell investments to, Ares Funds, and any amounts paid to or otherwise received by Ares Management, its affiliates or the Ares Fund will not offset the advisory fee payable by the limited partners or otherwise be rebated to, or shared with, the limited partners. There can be no assurance that the interests of the Fund would not, in any particular circumstance, be subordinated to those of the Ares Fund.

### **Commodity Futures Trading Commission Matters**

The Funds (including for this purpose any alternative investment entities or parallel investment entities) and clients may trade in instruments regulated by the U.S. Commodity Futures Trading Commission (the “CFTC”), and in such event each Fund’s general partner and/or its affiliates, or any client’s investment manager, intend to qualify for an applicable exemption from registration with the CFTC as a commodity pool operator (“CPO”) with respect to each Fund or client account pursuant to an exemption under CFTC Regulation 4.13(a)(3), which requires filing a notice of exemption with National Futures Association. This regulation also generally requires that (i) the limited partner interests are exempt from registration under the Securities Act and are not publicly marketed in the United States and (ii) at the time of the relevant investment, with respect to each Fund’s, or client’s, positions in CFTC-regulated instruments: (A) aggregate initial margin and related amounts required to establish such positions will not exceed five percent of the liquidation value of each Fund’s portfolio, after taking into account unrealized profits and unrealized losses on any such positions; or (B) the aggregate net notional value of such positions, determined at the time the most recent position was established, does not exceed 100 percent of the liquidation value of each Fund’s portfolio, after taking into account unrealized profits and unrealized losses on any such positions. Therefore, unlike a registered CPO, each of the Fund’s general partner or any client’s investment manager, would not be required to deliver a CFTC-compliant disclosure document and a certified annual report to investors. Nonetheless, each Fund’s general partner, and each client’s investment manager, does intend to provide investors with annual audited financial statements and the reports described in the respective Fund’s Partnership Agreement or client investment management agreement. The general partner or investment manager of a Fund or client may also pursue an alternative exemption from CPO registration, or else register with the CFTC.



## Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the investment adviser or the integrity of the investment adviser's management.

On May 26, 2020, without admitting or denying any wrongdoing, Ares Management consented to the entry of an administrative and cease-and-desist order (the "Order") instituted by the SEC. According to the Order, in 2016, Ares Management's written policies and procedures regarding the prevention of misuse of potentially material nonpublic information ("MNPI") were not sufficiently implemented and enforced in certain circumstances when Ares Management had an employee serving on the board of directors of a public company in which one of its clients was invested. The Order did not find any misuse of MNPI by Ares Management or its employees; however, the Order included findings of violations of Section 204A and Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder with respect to the implementation and enforcement of its written procedures. The Order includes cease and desist provisions and a censure, and payment of a civil penalty in the amount of \$1 million.

## Item 10 - Other Financial Industry Activities and Affiliations

As explained in Item 4 above, LRA is part of an advisory business known as "Landmark Partners". Its affiliated advisers include its parent, Landmark Partners, LLC ("LP LLC") and Landmark Equity Advisors, L.L.C. ("LEA"), both under common control with LRA (and together with LRA, the "Affiliated Advisers").

The Forms ADV for each of the Affiliated Advisers can be found at the SEC's web site: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The advisory services provided by LRA are described in this Brochure. LEA provides investment management services primarily focusing on private investments in sponsored privately offered pooled investment vehicles. In addition to being the parent entity, LP LLC primarily provides services to LRA and LEA though it also provides consulting services to certain third parties.

## Consulting Service

LP LLC developed a suite of proprietary models, referred to as a consulting toolkit, an alpha toolkit (together, the "Toolkits") and the Landmark Investment Valuation Evaluation ("LIVE") reports. These proprietary models are used to consult with investors, prospects, LPs and GPs and to assist them in analyzing the investments they hold and/or the funds they have invested in.

The Toolkits/LIVE are designed to provide, among others:

- Analysis of private fund portfolio information;
- Comparison of private funds in a portfolio with key performance metrics drawn from historical data;

- Identification of potential core and non-core private funds in the portfolio based on performance and relationship factors;
- Identification of possible transactions by developing pricing estimates; and
- Projection of future drawdown and distribution cash flows to the portfolio, which provides assistance for planning future commitments.

Further, LP LLC has developed a method for calculating the dollar value that a private market investment generates relative to a benchmark (referred to as “Excess Value”). Landmark believes that Excess Value can give investors and fund managers useful insights into the value creation of private market investments over time and can facilitate an alternative to traditional carried interest compensation. Currently, LP LLC does not charge a fee for its Toolkits, LIVE consulting services or its consulting services relating to the Excess Value method. These services may assist users to make certain allocation or investment decisions or to compensate asset managers for their services. In addition, these services may assist users in making divestiture determinations regarding their holdings in certain interests based on the analysis provided. In these instances, investors should be aware that the funds advised by the Affiliated Advisers may be purchasers of those interests.

### **The Company and its Landmark Affiliated Advisers**

With the exception of LP LLC, the Affiliated Advisers create limited partnerships and act as investment advisers to such limited partnerships. The Affiliated Advisers also act as investment managers to other clients, including co-investment vehicles. LRA, or any of the Affiliated Advisers, makes investments in these investment partnerships. In addition, certain of our investment professionals and Affiliated Advisers act as members of the general partners of the limited partnerships.

LRA and all the Affiliated Advisers are also affiliated with Landmark Partners (Asia) Limited, located in Hong Kong and regulated by the Securities & Futures Commission of Hong Kong. Landmark Partners (Asia) Limited provides services exclusively to Landmark, including marketing and distribution in Asia, after sales client servicing and deal sourcing support.

### **Ares Affiliations**

Ares Investor Services, LLC (“AIS”) is a broker-dealer currently registered with the SEC and the Financial Industry Regulatory Authority and is authorized to conduct private placements. AIS acts as a placement agent for certain entities including those sponsored by Ares and its affiliates. As part of the integration with Ares, LRA will use AIS for marketing activities related to private fund investor referrals within the LRA advisory business. Certain Landmark employees who are involved in marketing activities are or will become registered representatives of AIS. Although a Fund will not directly pay any compensation to AIS, Ares Management is responsible for paying certain expenses of the operation of AIS. Such payments may be considered to be compensation to AIS. AIS does not currently act as a placement agent of private securities for third parties or engage in brokering of portfolio company transaction, but may in the future perform these services. If compensation is received, such compensation would be made on a fully disclosed

basis. Any such compensation would generally be determined through negotiation and charged at market rates.

### ***Relationships with Related Persons***

Ares is the parent company of the following SEC-registered investment advisers:

- Ares Capital Management LLC (“ACM”), the investment manager of most of Ares’ U.S. direct lending funds and institutional accounts, including Ares Capital Corporation (“ARCC”), a closed-end, non-diversified specialty finance company that is regulated as a business development company under the Investment Company Act. In addition, ARCC directly or indirectly also owns the equity and voting interests of its portfolio company, Ivy Hill, an SEC-registered investment adviser;
- Ares Capital Management II LLC (“ACM II”), the investment adviser of Ares Dynamic Credit Allocation Fund, Inc. (“ARDC”; NYSE: ARDC) a non-diversified closed-end registered management investment company. ACM II also provides advisory services to certain other registered investment companies; and
- Ares Commercial Real Estate Management LLC (“ACREM”), which provides advisory services to Ares Commercial Real Estate Corporation (“ACRE”, NYSE: ACRE), a publicly traded commercial mortgage REIT and certain other institutional funds and accounts.

Ares is also the majority owner of CION Ares Management, LLC (“CAM”), an SEC-registered investment adviser and the investment adviser of CION Ares Diversified Credit Fund.

In addition, several advisory entities controlled by Ares are relying advisers included in Ares’ umbrella registration. Some of these relying advisers are registered with foreign financial regulatory authorities, including:

- the UK Financial Conduct Authority in the United Kingdom;
- the Commission de Surveillance du Secteur Financier in Luxembourg;
- the Cayman Islands Monetary Authority;
- the Securities and Futures Commission in Hong Kong;
- the Monetary Authority of Singapore; and
- the Financial Services Commission in the Republic of Mauritius.

### **Item 11 - Code of Ethics**

As referenced in Item 4, Ares Management and Landmark are in the integration process and as part of this process, LRA and its personnel are now subject to certain Ares Management’s compliance policies and procedures, including those related to the code of ethics summarized here in relevant part.

## **Statement of Business Ethics and Code of Ethics**

LRA has adopted an Ethics Policy (the “Code”) pursuant to Rule 204A-1 under the Advisers Act that sets forth standards of business and fiduciary conduct required of Covered Persons (as defined in the Code). The Code is designed to minimize conflicts of interest between and among Covered Persons, adviser entities, and clients and to prevent violation of federal securities laws. The Code provides that no Covered Person may engage directly or indirectly in any business in a manner detrimental to clients or use confidential information gained by reason of his or her employment by or affiliation with our advisory entities in a manner detrimental to clients. The Code includes, among other things: a) policies and procedures regarding personal securities transactions; and b) disclosure and reporting obligations of personal securities transactions and holdings. The reporting and pre-clearance requirements of the Code apply to all employees and immediate family members living in their household. Under the Code, transactions involving the purchase or sale of certain securities are subject to pre-clearance, reporting and minimum holding requirements. All employees are required to make compliance certifications attesting to compliance with the Code on a quarterly and an annual basis. The compliance certifications are administered through a compliance portal. The Code is available upon written request of the client, client’s underlying investor and/or prospective investors.

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

As general partners, limited partners or investors in certain clients, we, our related persons and qualifying employees have indirect beneficial interests in the securities owned by such clients and will share in any profits and losses generated by such clients’ investments. The Code requires that before, or at the time that, a Covered Person recommends or authorizes the purchase or sale of a covered security by a client, he or she must disclose to the Chief Compliance Officer (“CCO”) (a) any beneficial ownership in such covered security that he or she has or proposes to acquire; (b) any interest he or she has or proposes to acquire in any third party account in which such covered security is held; (c) any beneficial interest in any other security that may benefit from such proposed purchase, sale or other action; and (d) any interest in or business relationship with the issuer of such covered security that a Covered Person or his or her “covered family members” (as defined in the Code) has or proposes to acquire. In addition, we and our related persons may, directly or through one or more entities, sell securities in which they have a direct or indirect ownership interest to eligible clients in connection with certain “warehousing” transactions, provided that the sale is consistent with our fiduciary obligations to such client. Such transactions will be fully disclosed in writing, and the written consent of the appropriate client (which, in certain circumstances, may be provided by a client’s Advisory Board), as applicable, will be obtained prior to the consummation of any such transactions in accordance with Section 206(3) of the Advisers Act and all other applicable state and federal securities laws. From time to time, we make investments on our own behalf and on behalf of our affiliates in securities we recommend to a client. Such investments may be subject to conflicting investment strategies or objectives. In addition, we and our principals may co-invest with certain clients, as permissible in the applicable Governing Documents. Any such co-investments or related transactions may raise potential conflicts of interest, particularly if a client invests in different classes or types of securities of the same issuer. In such cases, the interest of one client may not always be aligned with the other client and may pose an actual or potential conflict of interest, as a client may pursue or enforce rights with respect to an investment, and those activities may have an adverse effect on the client as

prices, liquidity, terms of the investments, and levels of risk may be negatively impacted by such actions. Principals, officers and certain employees, members of their families and related persons of ours may participate directly or indirectly as investors in clients, as described in a client's Governing Documents. Such participation is generally achieved through the creation of a feeder fund that invests on the same terms and conditions as client investors except that generally these feeder funds are not subject to managements fees or carried interest. We have adopted an allocation policy designed to ensure that all investment opportunities are, to the extent practicable, allocated among our clients on a basis that over a period of time is fair and equitable to each client relative to other clients as well as a co-investment policy designed to ensure fair allocation of co-investment opportunities amongst the clients.

### **Personal Trading**

The Code covers personal trading policies and procedures of all Covered Persons and their covered family members. Under the Code, Covered Persons and their covered family members are permitted to trade in securities for their own accounts so long as they follow the Code, which contains certain preclearance requirements, reporting requirements and other provisions that restrict trading by Covered Persons. Generally, for "covered securities" transactions in a Covered Person's or a covered family member's account, Covered Persons are required to obtain preclearance approval from the Compliance Department. Covered securities purchased by a Covered Person or a covered family member are generally subject to a minimum holding period. The Code also requires that all covered securities holdings and transaction information in covered securities accounts be disclosed to the Compliance Department. Any transactions by a Covered Person in securities or investments that are held by one or more clients are generally subject to a blackout period after any client has traded in any security of that issuer and may further be restricted by a client's Governing Documents. The Code's procedures are administered by the Firm's Compliance Department. On a quarterly basis, Covered Persons must certify to all covered securities transactions, effected by them or their covered family members, including the nature of the transaction, the price of the security and the name of the broker, dealer or bank with or through which the transaction was effected. On an annual basis, Covered Persons must provide a full accounting of covered securities holdings held by them and their covered family members. Covered securities transactions over which the Covered Person or their covered family members had no direct or indirect influence or control are exempt from these reporting requirements. Lastly, Covered Persons are periodically required to certify that they have read and understand our compliance policies, including the Code, and certify that they have complied with the provisions of the Code.

### **Other Potential Conflicts**

Certain employees and/or their covered family members own private placement interests, including but not limited to, investments in private pooled investment vehicles, other private funds and in single business entities, which could result in a conflict of interests between a client and the employee in light of a potential personal benefit to the employee. A conflict could arise when an employee invests in an issuer and/or their affiliates who may become a portfolio company, competitor, service provider, counterparty, sponsor or any other business partner of ours and/or our clients. In order to mitigate such potential conflicts, these investments are monitored through the pre-clearance and reporting requirements under the Code.

We also require certain outside business activities to be reported and monitored to avoid potential or actual conflicts of interest. Such activities require prior written approval from the CCO and the Covered Person's direct supervisor, may be subject to restrictions or conditions, and such approval is revocable at any time.

From time to time, subject to the applicable Governing Documents, a client can engage in cross trades with one or more other clients, typically for purposes of rebalancing its portfolios, in order to further such participating clients' investment programs, or for other reasons consistent with the investment and operating guidelines of such participating clients. Neither we nor our affiliates will receive commission or similar fees in connection with such cross trade. Generally, the value of any positions that are cross-traded will be determined in a manner that is consistent with applicable policies.

Certain employees can receive discounts on products and services offered by companies in which a client is an advisor or investor or otherwise has interest, similar to what would be given to an employee of such company. In addition, we may engage certain related portfolio companies to provide goods and services. In these instances, engagement with the portfolio company is at an arm's length, and the portfolio company provides the same pricing and service levels as it would any comparable client or purchaser.

## **Item 12 - Brokerage Practices**

The Funds and clients primarily invest in private real estate funds. Transactions may entail a Fund or a client purchasing a partnership interest or portfolio through a brokered secondary transaction. Further, from time-to-time, a Fund or a client account receives portfolio investment securities as part of an underlying fund's or a client's general distribution. In addition, we buy or sell or receive publicly-traded securities for the Funds. In these instances, we generally utilize the services of a limited number of brokers who are familiar with our requirements and procedures to execute all such transactions. The use of a limited number of brokers allows for uniformity, consistency and economy of scale. We are not contractually bound to utilize a particular broker and the broker's retention is subject to our evaluation of the broker's services.

With respect to transacting in publicly-traded securities, we seek to effect transactions at a price, commission and transaction cost (e.g., mark-ups or mark-down) that provides the most favorable total cost or proceeds reasonably attainable under the circumstances. We consider various factors when selecting broker-dealers including, but not limited to, the experience of the broker-dealer in liquidating distributions from private equity funds, the nature of the portfolio transaction, the size of the transaction, the broker's trading expertise, reliability, responsiveness, reputation, execution, clearance, settlement, willingness to commit capital, access to a particular trading market, and security conditions (e.g., liquidity, volatility, etc.).

We have discretion to determine without obtaining prior consent from the Funds or clients the broker-dealer to execute transactions and the commission rates or commission equivalents charged for effecting the transactions.



*Research and Other Soft Dollar Benefits*

LRA does not obtain proprietary and third-party research services or products with clients' commissions or "soft dollars."

*Brokerage for Client Referrals*

Broker-dealers and their employees may refer potential investors, clients, or possible investments to us. It is our policy not to direct transactions and commissions to these broker-dealers as compensation for such referrals. However, we may effect transactions through these broker-dealers provided they are able to provide best execution.

See Item 14 below for additional information with respect to payment for investor referrals.

*Directed Brokerage*

We do not accept instructions to effect Fund or client transactions with certain broker-dealers.

*Aggregation and Allocation*

We will generally aggregate the purchase or sale of publicly-traded securities and allocate the purchase or sale of such shares on a pro rata basis among the Funds in the transaction.

*Deal Sourcing*

We may cause a Fund or client to purchase or sell interests in a particular Fund or client from a related adviser, provided that such investments are consistent with the Fund's or client's strategy and are made on a basis that does not involve the payment of an additional fee to us or the related adviser.

From time to time, we enter into agreement with finders to assist in identifying investments for the Funds or clients. For these investments (deals) the Funds or clients typically pay a fee.

See Item 14 below for additional information with respect to payment for investor referrals.

**Item 13 - Review of Accounts**

*Account Reviews*

The Funds' and clients' accounts are reviewed on a quarterly basis by a controller and a chief administrative officer.

*Client Reports*

We provide the Funds' financial reports to the respective Fund's limited partners quarterly. These written reports generally include unaudited capital account balances, portfolio holdings, transactions and performance information.



Investors in the Funds receive their respective Fund's audited annual report within 180 days and tax reports as soon as possible after the end of the Fund's fiscal year.

We provide written reports to other clients and investors as agreed upon.

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

### *Investor Referrals*

We enter into agreements with placement agents to assist in identifying investors for the Funds. In the event a Fund pays the fee to a placement agent, our advisory fee will be reduced by that amount. Placement agent fees are borne by us, as the investment adviser and if paid by the Fund, reduces the advisory fees payable to us, and are allocated to the specific limited partner associated with such placement agent. Please see above Items 10 and 12 for information regarding the limited purpose broker dealer AIS, which is affiliated with LRA through common ownership, and which LRA can engage for private fund investor referrals. As Landmark integrates with Ares, including any engagements between LRA and AIS, LRA will timely disclose referral and related compensation arrangements.

Referred investors to the Landmark Funds should be aware of potential inherent conflicts of interest between us and them with respect to placement agent arrangements. Placement agents refer potential investors to the Landmark Funds because they will be paid a fee and not because the Landmark Funds provide appropriate investment strategies or are suitable for the investor. In turn, we earn management and incentive fees from these investors which may be higher than what they might pay another investment manager or collective investment vehicle. Potential investors should consider these potential conflicts in making their investment decisions.

### *Other Compensation*

We have not entered into any arrangement under which we receive any economic benefit, including sales awards or prizes, from a person who is not a client for providing advisory services to clients.

We engage affiliates to provide certain placement services with respect to the sale of interests in our Funds to certain identified investors. Such affiliates are entitled to a fee with respect to the sale of interests to such investors.

## **Item 15 - Custody**

We are the administrator for the Landmark Funds. As a result of our authority over client funds and securities, we have "custody" of those assets within the meaning of the Custody Rule under the Advisers Act. The assets are maintained at qualified custodians as required or in accordance with SEC Staff guidance and the Custody Rule. We review statements we receive from the Funds' and clients' qualified custodians against our internal records to verify that the assets held by these custodians are accurately reflected.

Client assets are primarily limited partnership interests in Underlying Funds, member interests in private limited liability companies or interests in private companies, though they sometimes

include cash or publicly traded securities that have been distributed to the Funds. Partnerships and limited liability companies' interests do not lend themselves to custody by qualified custodians and are typically not transferrable without appropriate consent. Client assets in the form of cash or securities are held by a qualified custodian. The custodians are either banks or regulated brokerage firms, which provide statements to the Funds and clients.

It is our policy to have the Funds and client accounts audited annually by a recognized independent auditor registered with and subject to regular inspection by the Public Company Accounting Oversight Board. We distribute copies of the audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), to the respective Fund's investors, usually no later than 180 days, or as required, after the end of the Fund's fiscal year end. Investors will generally not receive account statements directly from the bank or other qualified custodian holding physical custody of the Landmark Funds' securities.

In addition, in connection with the final liquidation of a Landmark Fund or other client account, we obtain a final audit and distribute these audited financial statements to the Landmark Fund or to the clients, promptly after completion of the audit.

Fund investors and clients should compare the audited financial statements against statements prepared by us and should contact our Head of Secondaries Compliance in the event there are material discrepancies between these statements.

#### **Item 16 - Investment Discretion**

As an investment adviser, we are generally granted the discretionary authority pursuant to the investment management and limited partnership agreements with the Funds and clients to determine the respective Fund's and client's private real estate investments. In addition, we are granted authority with respect to the liquidation of any investment, pursuant to the investment management and limited partnership agreements with the Funds and clients.

We enter into non-discretionary advisory relationships with certain clients. The investment management agreement with these clients describes the services provided, fees and limitations to our investment discretion.

#### **Item 17 - Voting Client Securities**

In instances where a Client owns equity securities in which it has the right to vote via shareholder proxy (each a "Voting Security"), Landmark Partners generally retains proxy voting authority with respect to these Voting Securities. Landmark Partners has adopted and implemented Ares Management written Proxy Voting Policies and Guidelines ("Proxy Voting Guidelines") that are designed to reasonably ensure that Landmark Partners votes proxies in the best interests of its clients for whom Landmark has voting authority.

The Proxy Voting Guidelines describe the positions Ares Management and Landmark Partners generally takes in voting proxies on particular issues and require Ares Management and Landmark Partners to keep records with respect to the votes cast.

The Proxy Voting Guidelines also provide that, in the event a particular proxy vote would involve a conflict between the interests of Ares Management, Landmark Partners and their affiliates and those of one or more clients, Ares Management or Landmark Partners, if they so elect, may:

- vote in accordance with the recommendations of a disinterested third party;
- refer the voting decision to the client; or
- abstain from voting.

Some examples of potential conflicts can include;

- Ares Management provides investment advice to an officer or director of an issuer and Ares Management or Landmark Partners receives a proxy solicitation from that issuer;
- an issuer or some other third party offers Ares Management, Landmark Partners or an employee, officer, director, partner or member of Ares Management (an “Associate”) compensation in exchange for voting a proxy in a particular way;
- an employee or a member of an employee’s household has a personal or business relationship with an issuer;
- an employee has a beneficial interest contrary to the position held by Ares Management or Landmark Partners on behalf of its Funds or clients;
- Ares Management holds various classes and types of equity and debt securities of the same issuer contemporaneously in different client portfolios; or
- any other circumstance where Ares Management or Landmark Partner’s duty to service the interest of its clients could be compromised.

Ares Management will not delegate its voting authority to any third party, although it may retain an outside service to provide voting recommendations and to assist in analyzing votes.

Clients may obtain a copy of Ares Management’s Proxy Voting Guidelines or information about how Landmark Partners voted client proxies by contacting Ares’ Legal Department at (310) 201-4100.

## **Item 18 - Financial Information**

We do not have any financial commitments that impair our ability to meet contractual and fiduciary commitments to clients. In addition, we have not been the subject of a bankruptcy proceeding.