

Seavest Investment Group, LLC



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Part 2A of Form ADV: Firm Brochure

March 2021

This brochure (the “Brochure”) provides information about the qualifications and business practices of Seavest Investment Group, LLC (“Seavest”). If you have any questions about the contents of this Brochure, please contact us at (914) 269-0921. 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 authorities. Additional information about Seavest also is available on the SEC’s website at www.adviserinfo.sec.gov. Registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

Below is a description of material changes to our business as of the last annual filing of this brochure on March 30, 2021.

Rethink Education Management LLC (“RTE Manager”) had engaged Entangled Group as a consultant, designating an employee of the Entangled Group as a venture partner for RTE Manager on behalf of one of the Funds. Entangled Group was acquired by a third party during 2020, and as a result, the partnership with RTE Manager has been dissolved.

Item 3. Table of Contents

Item 2. Material Changes.....	2
Item 3. Table of Contents	3
Item 4. Advisory Business.....	4
Item 5. Fees and Compensation.....	6
Item 6. Performance-Based Fees and Side-By-Side Management.....	8
Item 7. Types of Clients.....	9
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	10
Item 9. Disciplinary Information	36
Item 10. Other Financial Industry Activities and Affiliations	37
Item 11. Code of Ethics, Participation or Interest Client Transactions and Personal Trading	39
Item 12. Brokerage Practices.....	45
Item 13. Review of Accounts	49
Item 14. Client Referrals and Other Compensation.....	50
Item 15. Custody.....	51
Item 16. Investment Discretion.....	52
Item 17. Voting Client Securities	53
Item 18. Financial Information	54

Item 4. Advisory Business

Seavest Investment Group, LLC and its affiliated relying advisers (Seavest Healthcare Properties LLC, Rethink Education Management LLC, Rethink Impact Management LLC, Rethink Community Management LLC, Rethink Food Management LLC and Segal Family Office LLC) (collectively “Seavest”) is a U.S. Securities and Exchange Commission (“SEC”) registered investment adviser that provides discretionary and non-discretionary investment management services to privately offered real estate, venture capital and private equity pooled investment funds, co-investment and other special purpose vehicles (“Funds”). Rethink Education Management LLC, Rethink Impact Management LLC, Rethink Community Management LLC and Rethink Food Management LLC are wholly owned by Rethink Capital Partners LLC, which is wholly owned by Seavest Investment Group LLC. Rethink Development LLC is a wholly owned affiliate of Seavest Investment Group, LLC. Seavest, Inc. is the elected non-member manager of Seavest Investment Group, LLC. Seavest’s principal office is in White Plains, New York with additional offices in New York, NY, Washington DC and San Francisco, CA. The principal owners of Seavest Investment Group LLC are Richard D. Segal, Douglas F. Ray, Jonathan L. Winer and Michael E. Walden.

The Funds are privately offered investment vehicles, which are exempt from registration under the Securities Act of 1933. The Funds are also exempt from registration under the Investment Company Act of 1940 pursuant to Section 3(c)(7) (i.e. all investors in the Funds qualify as “Qualified Purchasers”). The Funds are institutional vehicles whose investor base is limited to qualified investors who meet the definition of an “accredited investor” under Rule 501 of Regulation D of the Securities Act.

Segal Family Management, Inc. is the elected manager of Segal Family Office, LLC (“SFO”). Both are affiliates of Seavest that are controlled by Richard D. Segal and provide certain investment advisory and related services to estate-planning vehicles and separate accounts of Segal Family members (collectively, “SFO Accounts” or “SFO Assets”).

Seavest affiliated entities also serve as general partner or managing member of each Fund (each, a “General Partner”). The Funds enter investment management agreements with Seavest’s affiliates whereby Seavest’s affiliates oversees the acquisition, management and disposition of Fund assets.

Seavest generally neither tailors its advisory services to the individual needs of the investors in the Funds (the “Investors”), nor accepts Investor-imposed investment restrictions. Each Fund has a specific investment strategy and objective. Each Fund invests in one or more targeted, pre-defined asset classes and certain Funds prescribe the types of vehicles through which investments will be made by such Funds. Investment management advice provided by Seavest and its affiliates to each Fund is tailored to meet the investment objectives and restrictions of each Fund.

Each of the Funds has an investment committee that is comprised of officers of Seavest and/or other affiliated individuals. The relevant investment committee makes decisions regarding the acquisition and disposition of portfolio companies and real estate properties for the Funds.

Seavest does not participate in wrap fee programs with its portfolio management services.

As of December 31, 2020, Seavest had approximately \$ 2,164,862,000 in regulatory assets under management of which \$ 1,428,147,000 are managed on a discretionary basis and \$ 736,715,000 are managed on a non-discretionary basis.

Item 5. Fees and Compensation

Management Fees

Each Fund pays Seavest or an affiliate a management fee in accordance with the partnership agreement or limited liability company agreement and investment management agreement of such Fund. Management fees are generally paid quarterly in advance; however, the specific payment terms and other conditions of the management fee and carried interest compensation are set forth in the relevant private placement memoranda and other constituent documents of the Funds. An affiliate of Seavest typically receives a management fee from each Fund, which during the investment period for the Fund will be up to 2.5 % of capital committed or invested equity to the Fund. An affiliate of Seavest also typically receives carried interest distributions from each Fund of up to 20% of the net realized returns from all investments. Carried interest distributions could be subject to hurdles and/or claw-backs, as set forth in the applicable Fund's offering and governing documents. An affiliate of Seavest charges SFO Assets a negotiable fee depending upon the size of the account and the specific services provided (including family office services), among other factors. In addition, an affiliate of Seavest sometimes receives incentive distributions of net realized returns from some investments held by SFO Assets.

The real estate Fund agreements will stipulate a change in the management fee to a percentage of the gross cost of the assets based on invested equity at the end of a specified number of years (deemed investment period). Seavest deducts the management fees from Fund assets or makes capital calls to limited partners or members, as applicable, to pay the management fees, depending on whether sufficient working capital is available at the Fund level to pay the management fees. Management fees are generally paid quarterly in advance. If an investment management agreement is terminated, Investors are credited with a pro rata portion of the management fees previously collected based upon the portion of the quarter that had not elapsed. Management fees will be reduced or otherwise offset for certain fees received directly by Seavest or its affiliates. Investors generally cannot withdraw from their respective Fund, and cannot transfer any of their interest, rights or obligations under the Fund without the prior written consent of the respective General Partner and/or subject to the terms of the governing documents for each Fund.

Certain limited partners in a Fund will be charged management fees at rates that differ from those of other limited partners in the same Fund or could be exempt from bearing their proportional share of certain fees and expenses that the Fund is required to pay or reimburse to Seavest or its affiliates. Such special arrangements are generally provided for in side letter agreements between such limited partners and the applicable General Partner. Funds will bear all organizational and offering expenses subject to any expense limitations in a Fund's offering documents.

In addition to the foregoing fees, to the extent that we sponsor or manage any co-investment Fund, we will be entitled to earn certain fees from any co-investor in connection therewith.

Other Fees and Expenses

In addition to the fee and expense reimbursements identified above, each Fund generally bears all organizational, operating and investment expenses subject to certain caps and will include out-of-

pocket and internal expenses of the General Partner. Fund offering materials and governing agreements provide a more extensive description of the fees and expenses associated with an investment in a Fund. Investors and prospective Investors should refer to the private placement memorandum and operating agreements for the Funds for a detailed description of the fees and expenses for each Fund.

Organizational fees and expenses will include those incurred in connection with the organization and formation of Fund entities and applicable asset manager or General Partner as well as certain expenses related to offering Fund interests. These expenses include, but are not limited to, applicable legal and accounting fees, certain marketing fees, printing and filing fees, certain transportation, meal and lodging expenses incurred in the organizational activities of the Fund.

Operating fees and expenses generally include those incurred in operating the Fund. Operating fees include expenses related to the acquisition or disposition of investments such as interest and related fees, financing expenses (including subscription facilities) and finance sourcing expenses. Operating fees and expenses will include taxation and insurance expenses in addition to administrative fees and expenses for third-party service providers such as administrators, accountants, auditors, brokers, custodians, legal counsel, litigation expenses, and other consultancy or professional service providers.

Investment fees and expenses generally include those incurred in connection with or related to originating investments including, but not limited to, establishing terms and consummating the acquisition of potential investments. Investment fees and expenses will include market research expenses, marketing and solicitation expenses, and certain due diligence and related expenses.

Seavest will receive some or all those additional fees and reimbursements with respect to each Fund. Such fees and reimbursements are more fully described in each Fund's offering documents where applicable. Investors and prospective

Seavest will engage, or have caused the Funds to engage, unaffiliated placement agents to market and sell interests or shares in the Funds to prospective Investors. Seavest requires placement agents to have all appropriate licenses and registrations to conduct their business, including when applicable, to be registered as broker-dealers with the SEC and to be members of FINRA. The applicable Seavest affiliated manager can elect to reduce the management fee to the extent of any placement fees borne by the Fund.

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

In addition to the fees disclosed in Item 5, the General Partners and certain members or special limited partners receive carried interest payments of up to 20% of the net realized returns from all investments with respect to each of its Funds payable if certain specified performance thresholds are met. Carried interest distributions are generally paid after one or more predetermined performance levels have been achieved and will be subject to recalculation based on future performance. Investors and prospective Investors should refer to the private placement memorandum and operating agreements for the Funds for a detailed description of the fee schedules for each Fund.

The General Partner of each Fund will, in its sole discretion, waive or reduce the carried interest payable to it with respect to any Fund Investor, including Investors that are principals, employees or Seavest affiliates or relatives of such persons or for certain large or strategic Investors.

Receipt of performance-based compensation creates a potential conflict of interest in that it will create an incentive for Seavest to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of the performance-based compensation arrangements. Also, certain investment personnel will individually receive, as part of their compensation, carried interest payments which are based on the performance of the relevant Funds.

To mitigate this conflict, Seavest recognizes that it is a fiduciary and as such must act in the best interests of the Funds. Further, Seavest recognizes that it must treat all Funds fairly and must refrain from favoring one Fund's interests over another Fund. Seavest regularly assesses the allocation of its resources, including investment personnel, among its Funds to ensure adherence to its fiduciary duties. Seavest's Conflicts Committee also reviews proposed investments and sales in the Funds, allocations of investment opportunities amongst multiple Funds and other business engagements for potential conflicts of interests prior to the transaction or activity.

In addition, generally, and except as otherwise set forth in the governing documents of a Fund, conflicts are mitigated by provisions that restrict Seavest from forming a new investment fund (other than co-investment vehicles and special purpose vehicles) having similar investment objectives until a certain percentage of a Fund's commitments have been called, reserved or allocated for investment in portfolio companies or payment of Fund expenses.

Also, reference Items 11 and 12 for additional disclosures and policies addressing conflicts of interests and the allocation of investment opportunities amongst the Funds.

Item 7. Types of Clients

Seavest provides discretionary and non-discretionary investment management services to pooled investment vehicles and SFO Assets. Fund interests are offered to both U.S. and non-U.S. investors and include the following:

- Corporations and other business entities
- Endowments, foundations, and other charitable organizations
- Fund of funds
- Individuals including high net worth individuals
- Insurance companies
- Investment partnerships
- Pension and profit sharing plans
- Trusts and estates

Fund interests are offered to certain qualified investors in a “private offering” (i.e. one that is not open to the public). The Funds are institutional vehicles whose investor base is limited to qualified investors who meet the definition of an “accredited investor” under Rule 501 of Regulation D of the Securities Act.

Seavest establishes minimum investment amounts for its Funds but will, in its sole discretion, waive minimum investment requirements as it deems appropriate. Each Fund will enter side-letter agreements or other similar arrangements with an Investor with terms more favorable to such Investor than those applicable to another Investor. Potential conflicts of interests associated with side letter or similar arrangements are reviewed by Seavest’s legal counsel, the Chief Compliance Officer and/or the Conflicts Committee where applicable.

Each Investor in a Fund, with exception of SFO Assets, must sign a comprehensive subscription agreement indicating that it meets certain legal and regulatory requirements imposed by Seavest and under applicable law. Each Investor confirms that it has reviewed the private placement memorandum and understands the nature of the investment and associated risks as well as existing and potential conflicts of interest. Each Investor will also provide certain information as part of its subscription evidencing identity and include certain information about its organization and ownership structure, and financial information, where applicable.

With respect to SFO Assets, Seavest determines whether to invest in certain Funds and the amount invested. The determination is based on the underlying Investors’ risk tolerance, investment strategy, cash flow needs and liquidity. SFO Assets are not charged an additional investment advisory fee for this service and only pay fees as limited partners of the Funds or fees charged by third party managers to the extent invested with such managers. SFO Assets pay administration fees for non-investment advisory services including family office services such as bill paying, record keeping, and concierge services.

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

INVESTMENT STRATEGIES

Seavest has three distinct investment strategies:

1. *Real Estate*. Through Seavest Healthcare Properties' Funds it manages, Seavest invests primarily in institutional-quality medical office buildings ("MOBs") that meet the strategic needs of market-leading hospitals and health systems primarily in the U.S. market. This strategy targets a diversified portfolio through a complimentary investment strategy of value-added acquisitions, building development and core acquisitions primarily in the U.S.

Rethink Community Management Fund(s) invest in multi-family, commercial (office and industrial) and special-use projects focused on investing in commercial, residential and industrial real estate assets to support economic and civic growth in underprivileged U.S. communities.

2. *Venture Capital*. Through the Funds it manages, Seavest invests in early and growth stage companies that are generally focused on technology and services as their primary businesses as well as seed and/or early investments in education technology companies focused on the K-12 post-secondary, adult learning, and enterprise sectors for a seed Fund.
3. *Private Equity*. Through the Funds it manages, the SFO invests in private equity companies that are generally focused on technology, communications, pharmaceutical and social impact and similar companies as their primary businesses.

METHODS OF ANALYSIS

Prior to making an investment, Seavest carries out an extensive fundamental analysis of a target investment's position and prospects. Integral elements of Seavest's investment approach include understanding the market, the sustainability of the business or asset, and the competitive environment. All investments are discussed at a weekly (or on an as needed basis) investment committee meeting where a formal vote occurs to determine whether to proceed with an investment.

Real Estate Strategy

Within the real estate strategy for Seavest Healthcare Properties, the following elements are integral to Seavest's investment approach:

Building Measurement. Engage third-party architectural firms to confirm the building square footage.

Construction Drawing Review. Engage third-party architectural firms to review proposed construction drawings. (Development projects only)

Environmental Due Diligence. Engage third-parties to perform environmental studies and conduct further investigation as determined by environmental studies.

Financial Review. Development of pro-forma budgets including leasing and operating expenses to analyze cash flow, returns and determine if investment meets certain return objectives, including risk/reward analysis.

Legal. Detailed review of title and zoning for subject property.

Market Studies. Engage third-parties to review and report on the general market conditions in the subject market (vacancies, market rental rates, etc.). Engage third-parties to review and report on the overall market conditions in the subject market (hospital competitive positioning, hospital performance, etc.).

Physical Property Review. Engage third-party engineering firms to review physical building condition and to deliver property condition assessment reports and where appropriate engage specialists for detailed reviews of critical building components.

Tenant interviews. Interview major tenants in subject building.

Within the real estate strategy for Seavest Community Management, the following elements are integral to Seavest's investment approach:

Asset Identification. The Fund's investment process starts by generating attractive deal flow from RTC's network of local operating partners, service providers and community partners.

Underwriting. Rigorous underwriting and due diligence process is conducted by Seavest. A preliminary review of the situation is then brought to the Investment Committee for review. Typically, an abbreviated form of an investment case is used in the presentation. Although this process does not result in a formal approval, members of the Investment Committee can have early input and or flag areas of concern.

Term Sheet and Offer. A term sheet is only issued after conducting extensive financial analysis to confirm the ROI and community impact assumptions. An offer would then be generated. If accepted, due diligence is led by the asset manager who will be responsible for the investment. Prior to the conclusion of diligence, the Investment Committee memo is prepared and presented to the Investment Committee. The Investment Committee memo includes the underwriting, due diligence findings, the business plan for the asset, and specific risks of execution. The Investment Committee will then take a formal vote as to whether to proceed with the project. The resulting investment will then be handled by the asset manager leading the diligence so as maintain continuity of "ownership" and take advantage of the knowledge gained throughout the underwriting process.

Close on Investment: When closing on an investment, the investment team seeks to ensure adequate protective provisions and governance.

Post-Closing Asset Management. Post-closing, the Seavest team provides ongoing asset and property management services. Importantly, an annual business plan is prepared for all investments and approved by the Investment Committee. The business plan provides spending authorization and approval of plans to refinance or sell. The final terms of any refinancing or sale must be approved by the Investment Committee or a person to which the Investment Committee has delegated authority.

Reporting. Comprehensive and ongoing investor relations is provided to all limited partners by the Fund.

Venture Capital and Private Equity Strategies

Within the Venture Capital and Private Equity Strategies, the following additional elements are integral to Seavest's investment approach:

Customer Value Proposition. Determining the true value that a company's product or services create for its customers.

Competitive Position. A thorough analysis of each competitor's market and segment shares, technology, management, financial capability, cost position and implicit future strategy.

Exit Analysis. Prior to making an investment, Seavest fully explores the alternative options for future liquidity. Businesses with few liquidity alternatives are more heavily discounted than those with more options.

Financial Position and Prospects. Evaluation of the allocation of capital to various functional areas of each potential investment.

Intellectual Property, Regulatory, Tax, Legal, Accounting. Seavest and an experienced team of outside professionals perform a full review of intellectual property, regulatory, tax, legal, and accounting contingencies prior to making an investment.

Management. Seavest evaluates management teams, including previous work history, educational background, and current business execution.

Market Definition. Market definition delineates the boundaries where competitive advantage can be established and sustained. Market definition is based on business economics, overlap with other businesses and the dynamics of customer behavior.

Market Segmentation. Within a defined market, market segments present vulnerabilities as well as opportunities.

RISK OF LOSS

The following includes those general and specific risks of loss associated with investment in the Funds. These risk factors do not purport to be a complete enumeration or explanation of the risks

involved. Investors should read the applicable private placement memorandum and or additional and more detailed information pertaining to a fund or investment strategy.

General Risks

- *Borrowing.* The Fund can, at any time before or after the end of the commitment expiration date, borrow funds to make investments on a leveraged basis, in each case without regard to the amount of unfunded commitments, and will withhold from distributions amounts necessary to repay such borrowings. The interest expense and other costs incurred in connection with such borrowing might not be recovered by income from investments purchased by the Fund. If investment results fail to cover the cost of borrowings, the value of the portfolio held by the Fund would decrease faster than if there had been no such borrowings. Additionally, if the investments fail to perform to expectation, interests in the Fund will be subordinated to such leverage, which will compound any such adverse consequences. Furthermore, to the extent income received from investments is used to make interest and principal payments on such borrowings, investors will be allocated income, and therefore tax liability, in excess of cash received by them in distributions. Borrowings will be secured by assignment of the obligations of the members to make capital contributions to the Fund and a security interest in Investments. If a Fund defaults on secured indebtedness, the lender could foreclose and the Fund could lose its entire investment in the security for such loan. Because a Fund could engage in portfolio financings where several investments are cross-collateralized, multiple investments can be subject to the risk of loss. As a result, a Fund could lose its interests in performing investments in the event such investments are cross-collateralized with poorly performing or nonperforming investments. In addition, recourse debt, which a Fund reserves the right to obtain, could subject other assets of a Fund and the member's capital and commitments to the risk of loss.
- *Cash Management.* Fund cash will generally be invested in cash equivalents until invested or used for Fund purposes. To the extent that any of its funds are invested in uninsured instruments, a Fund could lose all or a portion of its investment if the financial institution or entity issuing the instrument becomes insolvent or experiences financial difficulty.
- *Competitive Market for Investment Opportunities.* Identifying, completing and realizing attractive investments has from time to time been highly competitive, and involves a high degree of uncertainty. The Fund will be competing for investments with many other real estate investment vehicles, as well as individuals, financial institutions (such as mortgage banks, pension funds and REITs) and other institutional investors. Furthermore, over the past several years, many real estate investment funds and publicly traded REITs have been formed and others have consolidated (resulting in larger funds and REITs). These and additional funds and REITs that will be formed in the future by other unrelated parties or upon further consolidation will have an investment objective similar to that of the Fund. There can be no assurance that the Fund will be able to locate, complete and exit investments which satisfy the Fund's rate of return objective or realize upon their values or that it will be able to invest fully its available capital. In addition, the Fund's investment strategies in certain sectors will depend on its ability to enter satisfactory relationships with joint venture or operating partners. There can be no assurance that the Fund's current relationship with any such partner or operator will continue

(whether on currently applicable terms or otherwise) with respect to the Fund or that any relationship with other such persons will be able to be established in the future as desired with respect to any sector or geographic market and on terms favorable to the Fund.

- *Difficulty of Locating Suitable Investments.* Although Seavest has been successful in locating successful investments in the past for themselves and others, Seavest might be unable to find sufficient number of attractive opportunities to meet a Fund's investment objective.
- *Dilution from Subsequent Closings.* Investors subscribing for Fund interests at any subsequent closing of a Fund will pay a "catch-up payment" and "catch-up interest" which will inure to the benefit of then existing investors and will then participate in existing investments of the Fund thereby diluting interests of existing investors therein. Although each such additional investors will contribute their pro rata share of previous capital calls plus the catch-up payment and interest, there can be no assurance that amounts contributed by additional investors and distributed to then existing investors will reflect the fair value of a Fund's existing investments at the time of such subsequent closing.
- *Financial Market Fluctuations.* Fluctuations in market prices of securities and other assets will adversely affect the value of the Fund's investments. Fluctuation and instability in interest rates and the securities markets will also increase risks inherent in the Fund's investments. The ability of an issuer to refinance debt securities will depend on its ability to sell new securities in the debt and equity markets, to borrow from banks or otherwise secure funding.
- *Hedging Risk.* In connection with the financing of certain investments, a Fund might employ hedging techniques designed to protect the Fund against adverse movements in currency and/or interest rates. While such transactions will reduce certain risks, such transactions themselves will entail certain other risks. Thus, while a Fund could benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, or currency exchange rates could result in a poorer overall performance for a Fund than if it had not entered such hedging transactions.
- *Illiquidity of Interests.* Fund interests have not been registered under the Securities Act or any other applicable securities laws. There is no public market for Fund interests and no public market is expected to develop. Fund interests are not transferable except with the consent of the General Partner, which will be withheld in its sole discretion. Investors might not be able to withdraw capital from the Funds. Consequently, investors might not be able to liquidate their investments prior to the end of a Fund's term.
- *Investments with Third Parties.* Funds can co-invest with other third parties through project co-investments, partnerships, joint ventures or other entities, thereby acquiring non-controlling interests in certain investments. Although a Fund will not have control over these investments and, therefore, will have a limited ability to protect its position therein, the Fund expects that appropriate rights will be negotiated to protect the Fund's interests. There can be no assurance that such rights will be available or that such rights will provide sufficient protection of the Fund's rights. Furthermore, such investments involve risks not present in investments where a third party is not involved, including the possibility that a third-party partner or co-venture

could have financial difficulties resulting in a negative impact on such investment, have economic or business interests or goals which are inconsistent with those of the Fund, or be able to take or block an action in a manner contrary to the Fund's investment objective. In addition, the Fund will, in certain circumstances, be liable for the actions of its third-party partners or co-ventures. Investments made with third parties in joint ventures or other entities will involve carried interests and/or other fees payable to such third-party partners or co-investors.

- *Investors Restrictions.* Potential investors whose activities are subject to legal and regulatory requirements or review by certain regulatory authorities will be subject to restrictions or prohibitions on making an investment in the Fund. Any such institution should consult its own legal advisers in determining whether and to what extent it can invest within a Fund. Seavest does not make any representation as to the proper characterization of the Fund interests or the investments to be made by the Fund for legal investment or any other purposes or as to the ability of Investors to invest in the Fund.
- *Leverage.* Seavest expects to utilize significant leverage about certain Fund investments. Although Seavest will seek to use leverage in a manner it believes is prudent, such leverage will increase the exposure of an investment to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the investment.
- *Liability for Return of Distributions.* An investor's capital commitment is susceptible to risk of loss because of any liability of a Fund. If a Fund is otherwise unable to meet its obligations, the investors will, under applicable law, be obligated to return, with interest, cash distributions previously received to the extent such distributions are deemed to constitute a return of their capital contributions or are deemed to have been wrongfully paid to them. In addition, an investor will be liable under applicable federal and state bankruptcy or insolvency laws to return a distribution made during a Fund's insolvency.
- *Operating Restrictions.* Disclosures relating to prior experience and performance are included as examples of the breadth of Seavest's experience in real estate generally and do not consider differences in the structure of and related operating restrictions between existing and potential investment vehicles. Certain operating restrictions will be imposed upon the Fund, including for example possible qualification of one or more of its subsidiaries as a real estate investment trust and limitations and restrictions within a Fund's operating agreement, side letter provisions which will be entered with certain investors, can be different, and in many instances, more restrictive, than restrictions to which Seavest was subject to in its prior experiences.
- *Overlap of Investment Team and Roles.* While there is commonality and overlap between Seavest principals who participated in transactions giving rise to prior performance, different persons will be performing different roles and devoting different levels of attention to Funds as compared to the transactions giving rise to the prior experiences.
- *Reliance on Key Principals.* Success of a Fund is substantially dependent on the ability of Seavest principals to identify and consummate suitable investments, to improve the operating performance of investments and to dispose of investments at a profit. Should one or more of

these individuals become incapacitated or in some other way cease to participate in a Fund, its performance could be adversely affected. There can be no assurance that any of these individuals will continue to be affiliated with a Fund throughout its term. Funds operations will be entirely dependent upon Seavest and its General Partner, each of which will rely on the principals and the other investment professionals employed by Seavest. No assurances can be made that any or all the principals and other investment professionals will remain employed by Seavest or the General Partner.

Real Estate Specific Risks

The following includes those specific risks of loss associated with investment in the real estate related Funds. These risk factors do not purport to be a complete enumeration or explanation of the risks involved. Investors should read the applicable private placement memorandum and or additional and more detailed information pertaining to a Fund or investment strategy.

- *Adverse Real Estate Market Conditions.* The value of a Fund's investments will be adversely affected by the present continued period of slow economic recovery following the recent recession, which could be accompanied by stagnant or declining real estate values. Any material decline in real estate values reduces the ability of borrowers of mortgage loans to use equity to support borrowings and increases the loan-to-value ratios of loans previously made, thereby weakening collateral coverage and increasing the possibility of a loss in the event of default. In addition, delinquencies, foreclosures and losses generally increase during periods of slow economic growth. A Fund's investment strategy for certain assets will rely, in part, upon local market recoveries during the term of the Fund. No assurance can be given that any such markets will recover since this will depend, in part, upon events and factors outside of the control of a Fund, and no assurance can be given that any recovery will not be short-lived. An increase in the number of delinquencies, bankruptcies or defaults could result in a higher level of non-performing assets, net charge-offs, provisions for loan losses and valuation adjustments of a Fund's investments which could adversely affect a Fund's targeted returns.
- *Catastrophic Losses.* Certain losses of a catastrophic nature, such as wars, earthquakes, terrorist attacks or other similar events, could be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. If a major uninsured loss occurs, a Fund could lose both invested capital in and anticipated profits from the affected investments.
- *Development and Financing Risks.* Funds will, from time to time, acquire, or attempt to acquire, fee simple, leasehold and/or equity interests in real estate under current or proposed development or which the Fund believes are suitable for future development. To the extent that the Fund invests or attempts to invest in such interests, properties and/or development activities, it will be subject to the risks normally associated with such activities. Such risks include, without limitation, potential protracted negotiations and lengthy diligence without ultimately acquiring any or all of the desired interest, risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the Fund, such as weather or labor conditions or material shortages), the availability of both construction and permanent financing

on favorable terms, and changes in supply and demand. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the financial condition and results of operations of the Fund and on the amount of funds available for distribution.

- *Environmental Liabilities.* Funds will be exposed to substantial risk of loss from environmental claims arising from investments made with undisclosed or unknown environmental problems or with inadequate reserves, as well as from occupational safety issues and concerns. Under various federal, state and local laws, ordinances and regulations, an owner or operator of real property will be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws often impose such liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's or operator'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 or operator. The presence of such substances, or the failure to properly remediate contamination from such substances, will 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 the Fund's return from such investment. Environmental claims with respect to a specific investment will exceed the value of such investment, and under certain circumstances, subject the other assets of the Fund to such liabilities.
- *Illiquid Nature of Investments.* Real estate investments require a long-term commitment with no certainty of return. Fund investments will be highly illiquid. There can be no assurance that the Fund will be able to realize returns on such investments in a timely manner. There will be little or no near-term cash flow available to investors. Since a Fund will only make a limited number of investments, poor performance by a few of the investments could severely affect the total returns to investors.
- *Lending Risks.* Funds could make or purchase existing loans to entities or individuals, secured by real estate located in the United States or equity interests in entities owning or leasing real estate in the United States. Borrowers of loans made (or purchased) by a Fund might fail to comply with their repayment obligations. Further, collateral for loans made, can lose value resulting in the collateral not fully securing the loan. The amount realized on a foreclosure or related action can be significantly less than the amount of the loan. Lender liability laws restrict what a lender will take with respect to the operations of a borrower's business. Further loans made could make the Fund or the applicable project special purpose vehicle subject to additional taxation.
- *Limitations on Remedies.* Although Funds will have certain contractual remedies upon the default by borrowers under certain investments, such as foreclosing on the underlying real estate (or equity interests) or collecting rents (or distributions) generated there from, certain legal requirements will limit the ability of a Fund to exercise such remedies effectively.

- Mezzanine Investments. Certain debt investments typically will be subordinated to substantial amounts of senior indebtedness. The ability of a Fund to influence the affairs of a creditor, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. Accordingly, a Fund will not be able to take the steps necessary to protect its Investments in a timely manner or at all. In addition, such debt securities in which a Fund can invest might not be protected by financial covenants, might have limited liquidity and might not be rated by a credit rating agency. Such debt securities are also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a “fraudulent conveyance” under relevant creditors’ rights laws, (ii) so-called lender liability claims by the issuer of the obligations and (iii) environmental liabilities that could arise with respect to collateral securing the obligations. A Fund’s investments could be subject to early redemption features, refinancing options, prepayment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by a Fund earlier than expected, resulting in a lower return to the Fund than projected. In many cases, a Fund’s management of its investments and its remedies with respect thereto, including the ability to foreclose on any collateral securing such investments, will be subject to the rights of the senior lenders and contractual inter-creditor provisions. Accordingly, there can be no assurance that the Fund’s rate of return objectives will be realized.
- Ownership Risks. Investments will be subject to the risks incident to the ownership and operation of commercial real estate including risks associated with both the domestic and international general economic climate, local real estate conditions, the economic condition of the health industry as well as new laws or regulations with respect thereto, changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building), energy and supply shortages, financial resources of tenants, various uninsured or uninsurable risks, terrorism, war, natural disasters, the ability of the Fund or third parties to manage the real properties, government regulations, potential environmental and other legal liabilities, general availability of financing and changes in interest rate levels, ability of borrowers to repay loans, and fluctuation in value of property or equity taken as collateral for any loans made. Fund will incur the burdens of ownership of real property, which include the paying of expenses and taxes maintaining such property and any improvements thereon, and ultimately disposing of such property. The Fund, as a lender, will also be subject to lender liability laws and other laws affecting a lender’s rights and remedies. The Fund’s investment strategy will involve a high degree of financial risk, and there can be no assurance that the Fund’s rate of return objectives will be realized or that there will be any return of capital. There is no assurance that there will be a ready market for resale of Investments because investments in real estate generally are not liquid. Illiquidity will result from the absence of an established market for the Investments, as well as legal or contractual restrictions on their resale by the Fund.
- Real Estate Loan and Participation Risk. Real estate loans made or acquired by a Fund at inception, acquisition or thereafter become nonperforming for a wide variety of reasons. Such non-performing real estate loans will require a substantial amount of workout negotiations and/or restructuring, which will entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such loans. However, even if a restructuring were successfully accomplished, a risk exists that upon maturity of such real

estate loan, replacement “takeout” financing will not be available. Purchases of participations in real estate loans raise many of the same risks as investments in real estate loans and carry risks of illiquidity and lack of control. It is possible that the Adviser will find it necessary or desirable to foreclose on collateral securing one or more real estate loans made or purchased by the Fund. The foreclosure process can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan including, without limitation, numerous lender liability claims, even when such assertions have no basis in fact, to prolong the foreclosure action. In some states, foreclosure actions can take up to several years or more to litigate. At any time during the foreclosure proceedings, the borrower can file for bankruptcy, which would have the effect of staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and can result in disrupting ongoing leasing and management of the property. In addition, certain of the mortgage loans in which the Fund makes or invests can be structured so that all or a substantial portion of the principal will not be paid until maturity, which increases the risk of default at that time.

It is anticipated that a substantial portion of the Fund’s debt investments will not be rated by any recognized rating agency. Generally, the value of unrated classes is more subject to fluctuation due to economic conditions than rated classes. Overall credit quality will move up or down frequently within this category. The Fund’s acquisition of credit support classes of securitizations (which generally are expected to be first loss classes), which are unrated at the time of acquisition and have lower ratings, incrementally increases the risk of nonpayment or of a significant delay in payments on these classes. Should assets be downgraded, it will adversely affect their value and will adversely affect the value of the Fund.

- Rental Income Risk. In addition, the Fund will derive substantially all the Fund’s income from rent payments under leases in the Fund’s properties. The Fund has no control over the success or failure of the tenants’ businesses and if any of the Fund’s tenants experience a downturn in its business that weakens its financial condition, the Fund’s tenants could delay lease commencement or renewal, fail to make rent payments when due or declare bankruptcy. Any lessee’s failures to make rent payments when due or tenant bankruptcies could result in the termination of the tenant’s lease and, particularly in the case of a large tenant, will have a material adverse effect on the Fund’s business.

Healthcare Industry Specific Risks

The following includes those specific risks of loss associated with investments of the Funds in the healthcare industry. These risk factors do not purport to be a complete enumeration or explanation of the risks involved. Investors should read the applicable private placement memorandum and or additional and more detailed information pertaining to a Fund or investment strategy.

- Adverse Trends in Healthcare Provider Operations. The healthcare industry is currently experiencing changes in the demand for and methods of delivering healthcare services, changes in third party reimbursement policies, substantial competition for patients among healthcare providers, and continued pressure by private and governmental payers to reduce payments to

providers of services; and increased scrutiny of billing, referral and other practices by U.S. federal and state authorities. These factors will adversely affect the economic performance of some or all the tenants of an underlying Fund investment and, in turn, a Fund's lease revenues, which will have a material adverse effect.

- Compliance with Governmental Rules and Regulations. Healthcare properties engaging in business with the federal government might be sued under a federal whistleblower statute designed to combat fraud and abuse in the healthcare industry. These lawsuits can involve significant monetary damages and award bounties to private plaintiffs who successfully bring these suits. If any of these lawsuits were to be brought against an operator at one of the Fund's underlying healthcare properties, such suits combined with increased operating costs and substantial uninsured liabilities could have a material adverse effect on the operators' liquidity, financial condition and results of operation and on their ability to make rental payments, which, in turn, could have material effect on the profitability of the investment.

Under the Americans with Disabilities Act of 1990, as amended (the "ADA"), all public properties are required to meet certain federal requirements related to access and use by disabled persons. In addition, changes in governmental rules and regulations or enforcement policies affecting the use or operation of the properties, including changes to building, fire and life-safety codes, can occur. Properties acquired by the Fund or against which the Fund lends might not follow the ADA or other governmental requirements. If a property is not in compliance with the ADA or other governmental requirements, then the Fund or its borrower will be required to make modifications to such property to bring it into compliance, or face the possibility of an imposition of fines or an award of damages to private litigants. In either case, the Fund could suffer losses, which would reduce amounts available for distributions to the Members.

- Competition for the Acquisition of Healthcare Properties. Funds will compete with other entities engaged in real estate investment in MOB's and healthcare related facilities. Competition will significantly increase the price paid for MOB's and healthcare related facilities or other assets a Fund seeks to acquire and competitors can succeed in acquiring those properties or assets themselves. In particular, larger healthcare real estate investment trusts have a significant competitive advantage that results from, among other things, a lower cost of capital and enhanced operating efficiencies.
- Competition with Other Healthcare Properties. Fund healthcare properties will likely face competition from hospitals and other MOB's which provide comparable services. Some of those competing facilities are owned by governmental agencies or owned by nonprofit corporations, which will receive tax benefits and could be supported by endowments and charitable contributions. These types of support might not be available to tenants of underlying Fund investments. A tenant's failure to compete successfully with these other practices could adversely affect their ability to make rental payments which could adversely affect rental revenues.
- Concentration of Investments. Funds investing primarily in healthcare properties are subject to risks resulting from a lack of diversification in the type of properties that will be acquired. A

downturn in the medical real estate industry could significantly adversely affect the value of a Fund's properties. A downturn in the healthcare industry could negatively affect tenants' ability to make rent payments, which will have a material adverse effect on a Fund's investments. In addition, some properties will be specialized medical facilities. If tenants terminate leases for these properties there can be no guarantee suitable replacement tenants will be found to lease the properties for their specialized uses or be required to make substantial capital expenditures to adapt the properties to other uses, which will have a material adverse effect.

- *Fraud and Abuse Laws.* Violation of federal and state laws prohibiting fraudulent and abusive business practices by healthcare providers who participate in, receive payments from, or are able to make referrals in connection with government-sponsored healthcare programs, including the Medicare and Medicaid programs will result in the imposition of criminal and civil penalties, including possible exclusion from federal and state healthcare programs. The Fund's lease arrangements with certain tenants will also be subject to these fraud and abuse laws. Imposition of penalties under these laws could jeopardize tenant's ability to operate or to make rent payments, thereby potentially adversely affecting Fund.
- *Financial Viability of Hospitals Near Healthcare Properties.* Investments in healthcare properties will depend on the viability of the hospitals on or near whose campuses the healthcare properties are located and their affiliated health systems to attract physicians and other healthcare-related clients. The viability of these hospitals, in turn, depends on factors such as the quality and mix of healthcare services provided, competition, demographic trends in the surrounding community, market position and growth potential, as well as the ability of the affiliated health systems to provide economies of scale and access to capital. If a hospital on or near whose campus a healthcare property in a Fund's portfolio is located is unable to meet its financial obligations, and if an affiliated health system is unable to support that hospital, the hospital will not be able to compete successfully or could be forced to close or relocate, which could adversely impact its ability to attract physicians and other healthcare-related clients. Because a Fund relies on the proximity to and affiliations with these hospitals to create demand for space in its healthcare properties, the inability of the hospitals to remain competitive or financially viable, or to attract physicians and physician groups, could materially adversely affect healthcare property operations and have a material impact on investment returns.
- *Healthcare Industry Regulations.* The healthcare industry is heavily regulated by U.S. federal, state and local governmental bodies, and is directly affected by federal conditions of participation, state licensing requirements, facility inspections, state and federal reimbursement policies, regulations concerning capital and other expenditures, certification requirements and other such laws, regulations and rules. In addition, transfers of operations of healthcare facilities are subject to regulatory approvals not required for transfers of other types of commercial operations and real estate. Changes in enforcement policies by federal and state governments have resulted in a significant increase in the number of inspections, citations of regulatory deficiencies and other regulatory sanctions, including terminations from the Medicare and Medicaid programs, bars on Medicare and Medicaid payments for new admissions, civil monetary penalties and even criminal penalties. Sanctions for failure to comply with these regulations and laws include loss of licensure, fines and loss of certification

to participate in the Medicare and Medicaid programs, as well as potential criminal penalties. The failure of any tenant to comply with such laws, requirements and regulations could affect its ability to continue its operation of the facility and could adversely affect the tenant's ability to make lease payments which could have a material adverse effect.

- *Licensure and Certification of Healthcare Providers.* If a healthcare provider loses its licensure or certification, becomes unable to provide healthcare services, cannot meet its financial obligations to a Fund or otherwise vacates a facility, the Fund would have to obtain another tenant for the affected facility. The loss of or inability to attract another suitable healthcare provider on a timely basis and on acceptable terms will impact cash flows and as a result operation could suffer. In addition, many properties are expected to be special purpose healthcare facilities that are not be easily adaptable to other uses. Transfers of operations of healthcare facilities, as discussed below, are often subject to regulatory approvals not required for transfers of other types of commercial operations and real estate.
- *Reductions in Reimbursement from Third Party Payers.* Revenue for tenants can derive from the U.S. federal Medicare program, state Medicaid programs, private insurance carriers and health maintenance organizations, among others. Healthcare providers continue to face increased government and private payer pressure to reduce costs. In addition, the failure of tenants to comply with various laws and regulations could jeopardize their ability to continue participating in Medicare, Medicaid and other government sponsored payment programs. Significant limits by governmental and private third-party payers on the scope of services reimbursed or on reimbursement rates and fees could have a material adverse effect on the liquidity, financial condition and results of operations of certain tenants and operators at Healthcare Properties, which could affect adversely their ability to make rental payments under, and otherwise comply with the terms of, their leases. A reduction in reimbursements to tenants from third party payers for any reason could adversely affect tenants' ability to make rent payments which will have a material adverse effect.
- *Transfers of Healthcare Facilities.* Transfers of healthcare facilities to successor operators frequently are subject to regulatory approvals or notifications, including, but not limited to, change of ownership approvals under certificate of need laws, state licensure laws and Medicare and Medicaid provider arrangements, that are not required for transfers of other types of real estate. The replacement of a healthcare facility operator could be delayed by the approval process of any federal, state or local agency necessary for the transfer of the facility or the replacement of the operator licensed to manage the facility. Alternatively, given the specialized nature of healthcare property facilities, substantial time and funds will be required to adapt these properties to other uses. The inability to timely transfer properties to successor operators or find efficient alternative uses impacts revenues and operations.

Specific Risks Associated with the Rethink Community Fund

The following includes those additional specific risks of loss associated with investment in the Rethink Community Fund and investments in multi-family, commercial (office and industrial) and special-use projects. These risk factors do not purport to be a complete enumeration or explanation of the risks involved.

Investment-Related Risks

- *Investing in Real Estate.* The Fund's investments will be subject to the risks incident to the ownership and operation of commercial real estate including risks associated with adverse changes in national and international economic and geopolitical conditions; local real estate conditions; the economic condition of the health industry as well as new laws or regulations with respect thereto; changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building); energy and supply shortages; financial resources of tenants; changes in the relative popularity of properties various uninsured or uninsurable risks; terrorism, war and other environmental natural disasters and political risk; the ability of the Fund or third parties to manage the real properties; government regulations; potential environmental and other legal liabilities; general availability of financing and changes in interest rate levels; ability of borrowers to repay loans; fluctuation in value of property or equity taken as collateral for any loans made; real estate tax rates, energy prices, and other operating expenses; changes in environmental laws and regulations, zoning laws and other governmental rules and policies; risks and operating problems arising out of the presence of certain construction materials; and other factors which are beyond the control of the Fund. Certain of these risks cannot be predicted with certainty or controlled by the General Partner and the Asset Manager.

The Fund will incur the burdens of ownership of real property, which include the paying of expenses and taxes maintaining such property and any improvements thereon, and ultimately disposing of such property. The Fund, as a lender, will also be subject to lender liability laws and other laws affecting a lender's rights and remedies. The Fund's investment strategy will involve a high degree of financial risk, and there can be no assurance that the Fund's rate of return objectives will be realized or that there will be any return of capital. There is no assurance that there will be a ready market for resale of Projects because investments in real estate generally are not liquid. Illiquidity results from the absence of an established market for the Projects, as well as legal or contractual restrictions on their resale by the Fund. In addition, real estate is subject to long-term cyclical trends that give rise to significant volatility in real estate values.

- *Financial Market Fluctuations.* General fluctuations in interest rates and the market prices of securities and other assets adversely affects the value of the Fund's Investments. Instability in interest rates and the securities markets also increases the risks inherent in the Fund's Investments. The ability of a particular issuer to refinance debt securities depends on its ability to sell new securities in the debt and equity markets, to borrow from banks or otherwise secure funding.
- *Risks of Acquisition Activities.* The yields available from investments in real estate opportunities depend on the amount of income generated and expenses incurred by such opportunities. If such opportunities do not generate sufficient revenues to meet operating expenses, including debt service and capital expenditures, the Fund's cash flow and ability to pay distributions to Partners will be adversely affected. The revenues generated by, and the value of, a Project will be adversely affected by several factors including: the cyclical nature of the real estate market; national, regional and local economic climates; local real estate

market conditions; fluctuations in operating costs (including real estate taxes and utilities); changes in interest rates; and the availability, cost, and terms of financing. The Fund's acquisition activities and their success will be exposed to the following additional risks:

- **As described below**, the Fund might be unable to acquire a desired property because of competition from other well capitalized real estate investors, including both publicly traded real estate investment trusts and institutional investment funds;
- Even if the Fund enters into an acquisition agreement for a property, such an agreement would typically be subject to customary conditions to closing, including satisfactory completion of due diligence investigations;
- Even if the Fund is able to acquire a desired property, competition from other real estate investors will significantly increase the purchase price paid;
- The Fund could be unable to finance acquisitions on favorable terms;
- Acquired property could fail to perform as the Fund projected when analyzing its investments;
- The Fund's projected exit strategy and pricing could prove inaccurate; and
- The Fund's estimates of the costs of repositioning, retenancing or refurbishing acquired properties might be inaccurate.

The Fund can acquire properties subject to known and/or unknown liabilities and with limited or no recourse. As a result, if liability were asserted against the Fund based upon such properties, the Fund might have to pay substantial sums to dispute and/or remedy the matter, which could adversely affect the Fund's cash flow. Unknown liabilities with respect to properties acquired could include, for example: liabilities for clean-up of undisclosed environmental contamination; claims by tenants, vendors, or other persons relating to the former owners of the properties; liabilities incurred in the ordinary course of business; and claims for indemnification by general partners, directors, officers, and others indemnified by the former owners of the properties.

- *Competitive Market for Investment Opportunities; Operators and Other Partners.* The activity of identifying, completing, and realizing attractive real estate investments has from time to time been highly competitive, and involves a high degree of uncertainty. The Fund will be competing for investments with many other real estate investment vehicles, as well as individuals, financial institutions (such as mortgage banks, pension funds, and real estate investment trusts), and other institutional investors. Furthermore, over the past several years, many real estate investment funds and publicly traded REITs have been formed and others have consolidated (resulting in larger funds and REITs). These and additional funds and REITs that will be formed in the future by other unrelated parties or upon further consolidation will have investment objectives similar to those of the Fund. There can be no assurance that the Fund will be able to locate, complete, and exit investments which satisfy the Fund's rate of

return objective or realize upon their values or that it will be able to invest fully its available capital. In addition, the Fund's investment strategies in certain sectors will depend on its ability to enter into satisfactory relationships with joint venture or operating partners. There can be no assurance that the Fund's current relationship with any such partner or operator will continue (whether on currently applicable terms or otherwise) with respect to the Fund or that any relationship with other such persons will be able to be established in the future as desired with respect to any sector or geographic market and on terms favorable to the Fund.

- *Leverage; Risk of Borrowing by the Fund.* The General Partner expects to utilize significant leverage in connection with the Fund's investments. Although the General Partner will seek to use leverage in a manner it believes is prudent, such leverage will increase the exposure of an investment to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the Investment. If prevailing interest rates or other factors result in higher interest rates at a time when the Fund must refinance its indebtedness, the Fund's interest expense would increase, which would adversely affect the Fund's results of operations and its ability to pay expected distributions to Partners. Further, if a property is mortgaged to secure payment of indebtedness and the Fund is unable to meet mortgage payments, the property could be foreclosed upon by or otherwise transferred to the mortgagee with a consequent loss of income and asset value to the Fund. Even with respect to nonrecourse indebtedness, the lender will have the right to recover deficiencies from the Fund in certain circumstances, including fraud and environmental liabilities.

If the Fund defaults on secured indebtedness, the lender will foreclose and the Fund could lose its entire investment in the security for such loan. Because the Fund will engage in portfolio financings where several Investments are cross-collateralized, multiple Investments will be subject to the risk of loss. As a result, the Fund could lose its interests in performing Investments in the event such Investments are cross-collateralized with poorly performing or nonperforming Investments. In addition, recourse debt, which the Fund reserves the right to obtain, will subject other assets of the Fund and the Partners' capital and Commitments to the risk of loss.

The Fund can, at any time before or after the end of the Admission Period, borrow funds to make Investments on a leveraged basis, in each case without regard to the amount of unfunded Commitments, and will withhold from distributions amounts necessary to repay such borrowings. The interest expense and other costs incurred in connection with such borrowing will not be recovered by income from Investments purchased by the Fund. If investment results fail to cover the cost of borrowings, the value of the portfolio held by the Fund would decrease faster than if there had been no such borrowings. Additionally, if the Investments fail to perform to expectation, the interests of Partners in the Fund will be subordinated to such leverage, which will compound any such adverse consequences. Furthermore, to the extent income received from Investments is used to make interest and principal payments on such borrowings, Partners will be allocated income, and therefore tax liability, in excess of cash received by them in distributions. Borrowings will be secured by assignment of the obligations of the Partners to make capital contributions to the Fund and a security interest in Investments.

- *Environmental Risks.* The Fund does not presently plan to hold direct title to any real property assets. However, Investments might be through Project SPVs owned by the Fund and thus the Fund will own real property indirectly. An environmental problem on a property owned by a company in which the Fund has an interest could have a material adverse effect on the profitability of an Investment. Under various federal, state, and local environmental laws, ordinances and regulations, a current or previous owner or operator of real estate can be required to investigate and clean up any hazardous or toxic substances or petroleum product releases at such property and will be liable to a governmental entity or to third parties for property damage and for investigation and cleanup costs incurred by such parties in connection with contamination. These laws typically impose clean up responsibility and liability without regard to whether the owner knew of or caused the presence of the contaminants, and the liability under such laws has been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of responsibility. The cost of investigation, remediation, or removal of such substances could be substantial, and the presence of such substances or the failure to properly remedy the contamination on such property adversely affects the owner's ability to sell or rent such property or to borrow using such property as collateral. Persons who arrange for the disposal or treatment of hazardous or toxic substances or petroleum products at a disposal or treatment facility will also be liable for the costs of removal or remediation of a release of hazardous or toxic substances or petroleum products at such disposal or treatment facility, whether or not the facility is owned or operated by such person. In certain circumstances, third-party lenders which have directed or had an active involvement in the environmental compliance activities or the day-to-day management of a borrower's facilities or which have taken possession of or title to such borrower's collateral will be liable for the costs of removal or remediation of a release of hazardous or toxic substances or petroleum products at the facility. In addition, some environmental laws create a lien on the contaminated site in favor of the government for damages and costs it incurs in connection with contamination. In addition, the owner of a site will be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from a site. In connection with its ownership and operation of real estate, the Fund will incur liability for such costs.

Certain federal, state and local laws, regulations, and ordinances govern the removal, encapsulation, or disturbance of asbestos-containing materials ("ACMs") when such materials are in poor condition or in the event of construction, remodeling, renovation, or demolition of a building. These laws will impose liability for release of ACMs and provides for third parties to seek recovery from owners or operators of real property for personal injury associated with ACMs. In connection with its ownership and operation of real estate, the Fund will incur liability for such costs.

- *Additional Risks Related to Investment in Troubled Assets.* The Fund can make investments in equity securities of troubled issuers, distressed debt, or other troubled assets which involve a significant degree of legal and financial risk. Furthermore, investments in assets operating in workout modes or under Chapter 11 of the Bankruptcy Code, or the equivalent in foreign jurisdictions, are, in certain circumstances, subject to certain additional potential liabilities which exceeds the value of the Fund's original investment. For example, under certain circumstances, lenders who have inappropriately exercised control of the management and

policies of a debtor will have their claims subordinated or disallowed, or counterclaims filed and lenders found liable for damages suffered by various parties as a result of such actions. In addition, under certain circumstances, payments to the Fund and distributions by the Fund to the Partners will be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. Bankruptcy laws will delay the ability of the Fund to realize on collateral for loan positions held by it or adversely affect the priority of such loans through doctrines such as equitable subordination or result in a restructure of the debt through principles such as the “cramdown” provisions of the bankruptcy laws.

- *Troubled Originations.* Investments made by the Fund might have been originated by financial institutions which are insolvent, in serious financial difficulty, or no longer in existence. As a result, the standards by which such investments were originated, the recourse to the selling institution, or the standards by which such investments are being serviced or operated will be adversely affected.
- *ADA Compliance.* Under the Americans with Disabilities Act of 1990, all public properties are required to meet certain federal requirements related to access and use by disabled persons. Projects acquired by the Fund might not be in compliance with the Americans with Disabilities Act. If a property is not in compliance with the Americans with Disabilities Act, the Fund will be required to make modifications to such property to bring it into compliance, or face the possibility of an imposition of fines or an award of damages to private litigants,
- *Uninsured Losses.* The General Partner will attempt to maintain insurance coverage against liability to third parties and property damage as is customary for similar businesses. However, there can be no assurance that insurance will be available or sufficient to cover any such risks. Insurance against certain risks, such as wars, terrorist attacks and other similar events, as well as earthquakes, floods, or other natural disasters might be unavailable, unavailable at a reasonable cost, available in amounts that are less than the full market value or replacement cost of investments or subject to a large deductible. In addition, there can be no assurance that the particular risks which are currently insurable will continue to be insurable at a reasonable cost. If the Fund suffers an uninsured loss with respect to a particular property, all or a substantial portion of its investment in the relevant property will be lost. In addition, all of the assets of the Fund will be at risk in the event of an uninsured liability to third parties.
- *Follow-On Investments.* Following the initial investment in a Project, the Fund can be called upon to provide additional financing or have the opportunity to increase its investment in such Project or to finance additional investments through such Project. There is no assurance that the Fund will make follow-on investments or that the Fund will have sufficient funds to make all such investments. Any decision by the Fund not to make follow-on investments or its inability to make them have a substantial negative impact on the Project in need of such investment and/or on the Fund’s position as an investor.
- *Non-U.S. Investments.* Subject to the limitation described herein, the Fund can make investments in a number of different foreign countries, some of which could prove to be unstable. With any investment in a foreign country, there exists the risk of adverse political developments, including nationalization, confiscation without fair compensation or war.

Furthermore, in the case of investments in foreign securities or other assets, fluctuation in currency exchange rates will affect the value of the investments and any restrictions imposed to prevent capital flight will make it difficult or impossible to exchange or repatriate foreign currency. In addition, laws and regulations of foreign countries impose restrictions or approvals that would not exist in the U.S. and require financing and structuring alternatives that differ significantly from those customarily used in the U.S. Foreign countries also could impose taxes on the Fund and/or the Partners. The General Partner will analyze risks in the applicable foreign countries before making such investments, but no assurance can be given that a political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by the Fund.

- Currency and Exchange Rate Risks. Because the Fund invests in securities and assets denominated or quoted in currencies other than the U.S. dollar, changes in currency exchange rates can affect the value of the Fund's portfolio and the unrealized appreciation or depreciation of investments. The Fund will seek to protect the value of some or all of its portfolio holdings against currency risks by engaging in hedging transactions, if available, cost-effective and practicable. The Fund can enter into forward contracts on currencies. There is no certainty that instruments suitable for hedging currency shifts will be available at the time when the Fund wishes to use them or that, even if available, the Fund will elect to utilize a hedging strategy.
- Lack of Diversification. The Fund will not have diversified portfolio. A limited number of investments increases risk because the aggregate performance of the portfolio will be adversely affected by the unfavorable performance of even a single investment. Investments primarily in one asset class also give rise to risk, as a downward shift in demand for real estate could negatively impact the aggregate returns of the Fund. Furthermore, investing primarily in one geographic region will increase risk because adverse local economic or geopolitical conditions in that single market will affect the Fund's financial performance.
- Concentration of Investments. A downturn in any industry could negatively affect the Fund's tenant's ability to make rent payments to the Fund, which will have a material adverse effect on the Fund's real estate investments in such industry. Some of the Fund's properties will be specialized, such as medical facilities. If the Fund's tenants terminate the leases for these properties, the Fund is not be able to locate suitable replacement tenants to lease the properties for their specialized uses or is required to make substantial capital expenditures to adapt the properties to other uses, which will have a material adverse effect on the Fund's business.
- Adverse Trends in Healthcare Provider Operations. The healthcare industry is currently experiencing: changes in the demand for and methods of delivering healthcare services; changes in third party reimbursement policies; substantial competition for patients among healthcare providers; continued pressure by private and governmental payors to reduce payments to providers of services; and increased scrutiny of billing, referral and other practices by U.S. federal and state authorities. These factors will adversely affect the economic performance of some or all the Fund's tenants and, in turn, the Fund's lease revenues, which will have a material adverse effect on the Fund's business.

- *Reductions in Reimbursement from Third Party Payors.* Revenue for the Fund's tenants will derive from the U.S. federal Medicare program, state Medicaid programs, private insurance carriers, and health maintenance organizations, among others. Healthcare providers continue to face increased government and private payor pressure to reduce costs. In addition, the failure of any of the Fund's tenants to comply with various laws and regulations could jeopardize their ability to continue participating in Medicare, Medicaid, and other government sponsored payment programs. Significant limits by governmental and private third-party payors on the scope of services reimbursed or on reimbursement rates and fees could have a material adverse effect on the liquidity, financial condition, and results of operations of certain tenants and operators at Healthcare Properties. This could affect adversely their ability to make rental payments under, and otherwise comply with the terms of their leases. A reduction in reimbursements to the Fund's tenants from third party payors for any reason could adversely affect the Fund's tenants' ability to make rent payments to the Fund, which will have a material adverse effect on the Fund's business.

Fund-Related Risks

- *Nature of Investment.* Real estate investments require a long-term commitment, with no certainty of return. The investments made by the Fund will be highly illiquid, and there can be no assurance that the Fund will be able to realize returns on such Investments in a timely manner. There will be little or no near-term cash flow available to the Partners. Since the Fund will only make a limited number of investments, poor performance by a few of the Investments could severely affect the total returns to Partners.
- *Dilution from Subsequent Closings.* Each Partner subscribing for an Interest at any subsequent closing of the Fund will pay a "catch-up payment" and "catch-up interest" which will inure to the benefit of then existing Partners, but will then participate in existing investments of the Fund thereby diluting the interests of existing Partners therein. Although each such additional Partners will contribute its pro rata share of previous capital calls plus the catch-up payment and interest, there can be no assurance that the amounts contributed by the additional Partners and distributed to the existing Partners will reflect the fair value of the Fund's existing investments at the time of such subsequent closing.
- *Reliance on the General Partner, the Asset Manager and Key Principals.* The success of the Fund is substantially dependent on the General Partner, the Asset Manager, the Key Persons and their respective executive officers. Should one or more of these individuals become incapacitated or in some other way cease to participate in the Fund, its performance could be adversely affected. There can be no assurance that any of these individuals will continue to be affiliated with the Fund throughout its term.
- *Expenses.* The Fund will pay all expenses incurred in the acquisition, development, management and realization of its investments, including expenses of investigating investments that are not completed. Expenses include legal and brokerage fees, the cost of engineering and environmental reviews, and include the costs of workouts and restructurings.

- *Liability for Return of Distributions.* Any Partner's Commitment is susceptible to risk of loss as a result of any liability of the Fund. If the Fund is otherwise unable to meet its obligations, the Partners will be obligated to return cash distributions as described in the Partnership Agreement. In addition, a Partner will be liable under applicable federal and state bankruptcy or insolvency laws to return a distribution made during the Fund's insolvency.
- *Potential Contingent Liabilities.* In connection with the disposition of Projects, the Fund will be required to make representations about the business and financial affairs of such Project typical of those made in connection with the sale of any business. It will also be required to indemnify the purchasers of such investment to the extent that any such representations prove inaccurate. These arrangements, as well as indemnification of the General Partner, the Asset Manager, the Principal, and the other members of the Investment Committee results in contingent liabilities, which might ultimately have to be funded by the Partners to the extent that the Partners have received prior distributions from the Fund or have undrawn Commitments. Further, if the available assets of the Fund are insufficient to discharge obligations incurred by the Fund, or if the Fund is dissolved, the creditors of the Fund will have a claim against a Limited Partner for the repayment of any distributions or returns of contributions received by such Limited Partner. A Limited Partner who transfers its Interest, if permitted by the General Partner pursuant to the terms of the Partnership Agreement, remains liable to make such repayments.
- *Interests Are Long-Term and Illiquid.* The Interests in the Fund have not been registered under the Securities Act or any other applicable securities laws. There is no public market for Interests and none is expected to develop. In addition, the Interests are not transferable except with the consent of the General Partner, which will be withheld in its sole discretion. Limited Partners will not withdraw capital from the Fund without the prior consent of the General Partner. Consequently, investors should not expect to be able to liquidate their investments prior to the end of the term of the Fund. Investors should understand that there will be no distributions until after the conclusion of the Investment Period and the disposition of the Projects.
- *No Operating History.* The Fund has no operating history and will be entirely dependent upon the General Partner, the Asset Manager, Seavest and the members of the Investment Committee. No assurance can be made that the Key Persons, the other members of the Investment Committee, or other investment professionals will remain employed by the Asset Manager and/or the General Partner.
- *No Right to Control the Fund's Operations.* The Limited Partners will have no opportunity to control the day-to-day operations of the Fund, including, without limitation, the investment and disposition decisions. In order to safeguard their limited liability for the liabilities and obligations of the Fund, Limited Partners must rely entirely on the General Partner to conduct and manage the business and affairs of the Fund and the Asset Manager to manage the investments on behalf of the Fund.
- *The General Partner's Profit Participation.* The existence of the Incentive Distribution creates an incentive for the General Partner to make more speculative investments than they would

otherwise make in the absence of such performance-based compensation. In addition, recently enacted tax legislation imposes a requirement that Fund assets be held for more than three years prior to a disposition (as opposed to the generally applicable one-year holding period threshold) in order for the Incentive Distribution of gain to the General Partner with respect to such a disposition to be treated as long-term capital gain (subject to preferential tax rates). This requirement can provide an incentive to the General Partner to delay the trading or other disposition of certain investment assets that have been held for more than one but less than three years in an effort to minimize the amount of tax imposed on the Incentive Distribution.

- Potential Insufficiency of Investment Capital. The General Partner has established the size of the Fund by balancing an estimate of the amount of capital that it can responsibly manage with an estimate of the amount of capital necessary for the Fund to invest in an optimal number of ventures. However, the capital needs of Projects cannot be accurately determined at the time of the Fund's formation, and Projects will often require additional equity financing to satisfy their continuing working capital requirements. It is impossible for the Asset Manager to predict accurately the circumstances under which Projects will need additional capital and as a result, no assurance can be given that the Fund's capital will be sufficient to finance the number of Projects anticipated by the Asset Manager. It is possible that a Project will not have access to additional sources of capital or financing on terms that are favorable to the Fund, both of which could negatively impact such Project and the Fund's returns.
- Undercapitalization Risk. If the Fund is undercapitalized and unsuccessful in attracting further investments in subsequent closings or if the General Partner is unsuccessful in launching successor funds, the Fund will be forced to reduce the size and/or scope of its operations, which could have an adverse impact on the ability of the Asset Manager to manage investments.
- Indemnification. The General Partner, as a fiduciary, has a responsibility to the Limited Partners to exercise good faith and fairness in all dealings with respect to the Fund. However, the Fund will indemnify and exculpate the General Partner, the Asset Manager, the Principal, and the other members of the Investment Committee from and against any liability for losses, damages, or expenses resulting from their relationship to the Fund, their acts or omissions, the Fund's business, or the management of the Fund's affairs, except in certain circumstances. Accordingly, a Limited Partner will be entitled to more limited rights of action against the General Partner, the Asset Manager, the Principal or the other members of the Investment Committee than it would otherwise have, absent such limitation.
- Future Regulatory Developments. This risk disclosure cannot address or anticipate every possible current or future regulation that will affect the Fund, the General Partner, and/or the Asset Manager, or their respective business and operations. Such regulations might have a significant impact on the Fund, including, without limitation, restricting the types of investments the Fund can make; or requiring the Fund to disclose certain confidential information regarding its terms, its investments, or the identities of the Limited Partners. The General Partner, in its sole discretion, can cause the Fund to be subject to certain regulations if it believes that an investment or business activity is in the Fund's interest, even if such regulations have a detrimental effect on one or more Limited Partners. Prospective investors are encouraged to consult their own advisors regarding an investment in the Fund.

- *Default on Capital Contributions.* If the Limited Partners fail to fund their subscription obligations or make required capital contributions when due, the Asset Manager's ability to complete the Fund's investment program or otherwise continue operations will be substantially impaired. A default by a substantial number of Limited Partners would limit opportunities for investment diversification and could cause the Fund to default in obligations to their parties. Any Limited Partner who defaults in making a required capital contribution can be subject to certain adverse consequences pursuant to the provisions of the Partnership Agreement, including the purchase of its Interest at a price reflecting a substantial discount from its net asset value.
- *Risks Arising from Provision of Managerial Assistance.* The General Partner intends to use reasonable efforts avoid having the assets of the Fund constitute "plan assets" of any plan subject to Title I of ERISA or Section 4975 of the Code which invests in the Fund and will, in this regard, elect to operate the Fund as a "venture capital operating company" ("VCOC") within the meaning of regulations promulgated under ERISA. Operating the Fund as a VCOC would require that the Fund obtain rights to substantially participate in or influence the conduct of the management of a number of the Fund's portfolio companies. The Fund will designate one or more directors to serve on the board of directors of one or more portfolio companies as to which it obtains such rights. The designation of directors and other measures contemplated could expose the assets of the Fund to claims by a portfolio company, its security holders, its creditors, and other persons who have a claim against the portfolio company.
- *ERISA Considerations.* In the event the Fund is operated to qualify as a VCOC in order to avoid holding "plan assets" within the meaning of ERISA, the Fund will be restricted or precluded from making certain investments. In addition, it could be necessary for the General Partner to liquidate the Fund's investments at a disadvantageous time in order to avoid holding ERISA "plan assets," resulting in lower proceeds to the Fund than might have been the case without the need to qualify as a VCOC.

Risks Relating to Strategic Arrangements/Co-Invest Arrangements

- *Investing with Third Parties; Non-Controlling Investments.* As described herein, the Fund can invest with other third parties through partnerships, joint ventures or other entities, thereby acquiring non-controlling interests in certain investments. Such investments involve risks not present in investments wholly owned by the Fund, including, for example, the possibility Strategic Partner or third-party partner of the Fund might become bankrupt, or at any time have economic or business interests or goals that are divergent from or contrary to those of the Fund, or that such Strategic Partners, or third-party partner can be in a position to take action contrary to the Fund's objectives. The Fund can also be adversely affected due to the Fund's lack of sole decision-making authority regarding major decisions, reliance on the third parties' financial condition, any disputes that arise between the Fund and the third parties, and the Fund's exposure to potential losses from the actions of the third parties. Furthermore, if the Fund disagrees with the third parties about decisions affecting a property or the joint venture, which could result in litigation or arbitration that increases Fund expenses and disrupts the day-to-day operations of the Fund and its affiliates, including by delaying important decisions

until the dispute is resolved. In addition, the Fund will in certain circumstances be liable for the actions of its third-party partners, Strategic Partners or co-venturers. Investments made with third parties in joint ventures or other entities will involve carried interests and/or other fees payable to such third-party partners or co-investors.

Although the Fund expects that appropriate rights will be negotiated to protect the Fund's interests, there can be no assurance that such rights will be available or that such rights will provide sufficient protection of the Fund's rights. As a result, and as described above, the Fund might not be in a position unilaterally to control such vehicles or investments, or exercise certain rights associated with such vehicles and investment, and its ability to protect its position therein will be limited.

While the Asset Manager will review the qualifications and previous experience of any proposed Strategic Partners, co-investors or other third-party partners, it does not expect in all cases to obtain financial information from, or to undertake private investigations with respect to, such prospective parties. Further, if a third party removes its general partner or manager or terminates prior to the Fund, then the ability of the Fund to exercise certain rights associated with its investments requires the cooperation of a successor general partner or other persons.

- *Dilution from Strategic Arrangements.* An investment by the Fund in a Project SPV alongside Strategic Partners will dilute the Fund's interest in the underlying investment.
- *Events of Default under the Project SPV Documents.* An event of default by a third party under the operative documents of a Strategic Arrangement, co-investment arrangement or other third-party arrangement could give rise to adverse consequences for the Fund's performance and the Fund's ability to complete its investment program or otherwise continue operations can be substantially impaired.
- *Divestment of Co-Investments.* If the Fund and co-investors have the ability to dispose of their interests in the co-investment separately, a disposition of a large position by one party can depress the market value of the continuing investment of the remaining co-investor (possibly being or including the Fund), or will reduce the price available to other co-investors (possibly being or including the Fund) which might also be disposing of their respective investments.

Venture Capital and Private Equity Specific Risks

The following includes those specific risks of loss associated with investments of the Funds in early and growth stages companies within the venture Capital and Private Equity Strategies. These risk factors do not purport to be a complete enumeration or explanation of the risks involved.

Investors should read the applicable private placement memorandum and or additional and more detailed information pertaining to a Fund or investment strategy.

- *Asset Class Diversification Risk.* Funds will be less diversified for industry risk than other, more broadly focused funds, and its aggregate return can be substantially affected by the unfavorable performance of a single investment. Because of a Fund's industry focus, the effect

on a Fund's returns of certain factors that have a greater impact upon technology industry and be more pronounced than in more broadly focused funds.

- *Availability of Investment Opportunities.* The technology-based and social impact sectors within which the Funds will be engaged are highly competitive. There are no assurances that the Funds will be able to find a sufficient number of attractive opportunities to meet its investment objectives. Funds will compete with financial institutions, large publicly traded technology companies, and other investment funds in providing financing to the businesses that a Fund will attempt to finance. Many competitors have greater resources than those available to the Funds. Moreover, the industries within which the target portfolio companies operate is highly competitive. There are no assurances that any portfolio company will obtain the level of success necessary to obtain a Fund's objectives.
- *Compliance with ERISA.* Seavest intends to use reasonable efforts to avoid having Fund assets be deemed "plan assets" and therefore subject to the Employee Retirement Income Security Act of 1972, as amended ("ERISA"). Seavest elects to operate Fund as "venture capital operating companies" ("VCOC") as defined under ERISA. Operating a Fund as a VCOC would require that a Fund obtain rights to substantially participate in or influence the conduct of the management of a number of Fund portfolio companies. Funds will designate one or more directors to serve on the board of directors of one or more portfolio companies as to which it obtains such rights. The designation of directors and other measures contemplated could expose the assets of a Fund to claims by a portfolio company, its security holders, its creditors and other persons who have a claim against the portfolio company.
- *Nature of Investments.* Fund investments requires a long-term commitment, with no certainty of return. There most likely will be little or no near-term cash flow available to investors. Most of the Funds' investments will be highly illiquid, and there can be no assurance that the Funds will be able to realize on such investments in a timely manner. Distributions in kind of illiquid securities to the investors Partners will be made at the dissolution of the Funds; provided, that the General Partner will use its reasonable best efforts to make all distributions in cash. The securities in which the Funds will invest will generally be among the most junior in a portfolio company's capital structure, and thus subject to the greatest risk of loss. In addition, the Funds intend to hold non-controlling interests in most of its portfolio companies, and therefore have a limited ability to protect its position and interests in such portfolio companies. Because the Funds only make a limited number of investments and the Funds' investments will generally involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to investors. Additionally, it should be noted that the past performance of the investments previously made is not necessarily indicative of the Funds' future investment performance.
- *Managerial Risk.* Seavest generally takes an active role in the management of its portfolio companies. A Seavest principal or investment professional will serve on the board of directors of portfolio companies. The designation of directors and other measures contemplated could expose the assets of the Funds to claims by a portfolio company, its security holders and its creditors. While Seavest intends to manage Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

- Public Markets Risk. The successful realization of investments in these types of companies is highly dependent on the performance of education technology companies in the public equity markets. Any significant, industry-wide downturn in the public equity markets' valuations of education technology-based companies could seriously impair the Fund's ability to liquidate its investments and overall investment performance.
- Volatility Risk. Investments in early and growth stage companies that are generally focused on technology and services are susceptible to a high degree of volatility due to, among other things, their reliance on limited financial resources, small management teams, limited product lines and markets, and the unpredictable development (and/or obsolescence) of certain complex technologies. In many instances, these types of companies operate at a substantial loss for extended periods of time.

Co-Investments and Joint Venture Risk

Funds can be adversely affected in connection with any co-investment arrangement and any project co-investment due to a Fund's lack of sole decision-making authority regarding major decisions, reliance on co-investment investor financial conditions, any disputes that arise between and exposure to potential losses from the actions of the co-investment investors. Co-investment investors can take actions that Seavest opposes. Furthermore, if Seavest disagrees with co-investment investors about decisions affecting a property or joint venture which results in litigation or arbitration thereby increasing Fund expenses, disrupting day-to-day operations of Seavest and underlying the healthcare properties, and delaying important decisions until a dispute is resolved.

Epidemics, Health Risks and COVID-19

The recent outbreak of the novel COVID-19 or "coronavirus" across many countries around the globe, including extensively in the United States, has begun to materially and adversely slow global commercial activity, has contributed to significant volatility in financial markets, and has caused many to fear a potential United States and/or global recession and significant loss of employment. The global impact of the outbreak has been rapidly evolving, and as cases of the virus have continued to be identified in additional countries, many countries have reacted by instituting quarantines, significant restrictions on group gatherings, and restrictions and prohibitions on travel. Such actions are creating disruption in the global economy and supply chains and adversely impacting several industries, including retail, transportation, hospitality, office, multi-family, senior housing and entertainment. The outbreak and related curtailment in personal and economic activity are likely to have a material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any meaningful prediction as to the ultimate adverse impact. What is clear at this time, however, is that the coronavirus presents material uncertainty and risk with respect to investment prospects, performance and financial results.

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 a Client's or potential Client's evaluation of the firm or the integrity of the firm's management in this item.

Seavest and its affiliates do not have any disciplinary information to disclose.

Item 10. Other Financial Industry Activities and Affiliations

Seavest and its affiliates are not registered and do not anticipate registering as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading adviser, or as an associated person of the foregoing.

Subject to the restrictions set forth in the Fund's governing documents, Seavest and related persons provides services to Seavest Funds, to portfolio companies, investment vehicles and other persons or entities that can have similar structures. Seavest and their related persons currently have certain relationships or arrangements with third party companies that are material to our advisory business and the Funds.

Below is a description of such Seavest and related persons relationships and certain conflicts that arise from them.

Relationships with Other Investment Advisers and Broker Dealers / Venture Capital Firms / Investment Companies / Sponsor or Syndicator of Limited Partnerships

Seavest's personnel and other related persons have outside business relationships and have worked on other projects (other than for Seavest), including projects for their personal benefit, with other financial services companies which are investment advisory in nature. For example, Seavest's SFO personnel, affiliated employees and other related persons serve as members of the boards of directors or advisory board of private or public financial services companies, investment companies and limited partnerships and can participate in one form or another with certain other financial related industry associations or groups.

Additionally, Seavest personnel and other related persons have business relationships with broker dealers and investment advisers or other financial related industry associations or groups, who are also institutional or individual Investors in the Funds. Certain of these investment advisers or broker dealers also provides investment advisory and custodial services to the SFO Assets and private placement services to the Funds. Such relationships can influence Seavest's investment decisions for the Funds which can present a conflict between Seavest and/or affiliate's economic interest and what is in the best interests of the Funds.

Conflicts of interest also arise in the allocation of management resources because of such other related activities as well as personal investments of private companies made by Seavest personnel or other related persons. Specifically, Rick Segal and other Seavest personnel provides certain back-office and investment services to the SFO Assets. Certain SFO Assets also own equity interests in certain general partners, managing members and the Funds managed by Seavest. Additionally, Seavest personnel have roles as managing members or general partners of personal investment entities that invests in private companies that could present a conflict of interest with Seavest Fund investments.

To address these conflicts, Seavest maintains a Code of Ethics and allocation of investment opportunities policies and procedures that are intended to minimize the negative effects of such

conflicts if they arise including the requirement for all Seavest employees to pre-clear with the Chief Compliance Officer any private investments, board memberships and outside business activities; however, there can be no assurance that permitting such activities will not result in less favorable results for the Funds than if the employee was not permitted to serve in such capacity. Investors are also provided with disclosure with respect to these conflicts in the applicable Fund's offering documents.

Seavest's "Conflicts of Interest" policies require Seavest investment teams, the Chief Compliance Officer and/or if needed, a Conflicts Committee, to review proposed investments and sales in the Funds and other business engagements for potential conflicts of interests with Seavest personnel or a related person's activities prior to the transaction in the Fund and hiring of service providers including affiliates on behalf of the Fund. Also, reference Item 11 of this brochure for additional information related to Code of Ethics policies and procedures and Item 12 for additional information related to allocation of investment opportunities.

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

Code of Ethics

Seavest has adopted a Code of Ethics (the “Code”) for all its employees and other individuals who are deemed as “Supervised Persons” of Seavest. Seavest recognizes that the personal securities transactions and investments of our employees who are deemed as “Access Persons”, those persons who have access to certain of Seavest investment information and transactions, requires the application of restrictive compliance policies on such transactions and activities of our Access Persons and to be carried out in a way that does not endanger the interest of any Seavest Fund or Investors. Due to the size of the firm, Seavest treats all employees who are Supervised Persons, as Access Persons subject to the Code’s more restrictive compliance policies.

The Code describes the expected standard of conduct and fiduciary duties of our employees, and limits on certain personal trading and investments of Access Persons and their immediate family/household members. At the same time, Seavest also recognizes that employee investment goals are similar to the investment mandates of the Funds. For such employees, Seavest believes that employee interests are aligned with the Fund’s and Investor’s interest when there is common ownership of securities or other private investments, subject to the provisions of Seavest’s Code.

To address conflicts of interests, the Code generally sets forth the standard of ethical and professional business conduct policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary obligations that Seavest and each of our Access Persons are committed to the Funds. Such policies and procedures require Access Persons reporting and pre-clearance requirements with respect to personal trading and investments. Seavest’s Access Persons must also provide Seavest’s Chief Compliance Officer with a report of their reportable personal accounts and initial holdings report within 10 days of becoming an Access Person. In addition, Seavest’s Access Persons must provide annual holdings reports and quarterly transactions in accordance with Rule 204A-1 of the Investment Advisers Act of 1940.

Seavest also maintains a restricted list that includes issuers about which any Access Person has material non-public information. As a general matter, Access Persons are prohibited from trading in the securities of issuers that are included on the restricted list (or any other securities to which the material non-public information relates) for either a personal account or for any Fund.

Seavest’s compliance team periodically monitors Access Persons’ personal account trading against the restricted list and general compliance with the Code. The Code is circulated at least annually or when amended to all Access Persons and other Supervised Persons where applicable, and each Supervised Person at must annually certify in writing that he or she has received and followed the Code and any amendments thereto.

A detailed summary of the Code is available to Investors, prospective Investors and any other future Seavest clients. The Code is also accessible to Seavest Investors on its client portal. Investors and prospective Investors can receive a copy of the Code at Seavest’s offices upon

advanced written request to: Seavest Investment Group, LLC 707 Westchester Avenue, Suite 401, White Plains, NY, 10604. Attn: Compliance.

Participation or Interest in Client Transactions and Other Conflicts of Interests

Seavest manages multiple Funds, including the SFO Assets, with varying interests and potential or actual conflicts of interest can arise from time to time. The conflicts of interest encountered by Seavest and its affiliates including employee's personal interests are described in this section, although the descriptions do not include all the conflicts that can be faced by Seavest as new conflicts of interests arise from time to time. Other conflicts are also disclosed in the private placement memorandum and related governing documents of the Funds. Each prospective or existing Investor provided with the governing documents of the Funds should be read in its entirety.

Seavest's conflicts of interest scenarios, the Code and other compliance program policies and procedures and internal controls to mitigate and resolve such conflicts are described below:

Affiliated Transactions

From time to time in the ordinary course of business, portfolio assets purchased directly or indirectly by affiliates of the Fund, including employees and the SFO accounts, prior to or simultaneously to the launch of the Fund, can be transferred to a Seavest Fund. Seavest and/or affiliates can sell a security, instrument or other private assets to, or otherwise engage in cross or principal transactions with a Seavest Fund that could incentivize Seavest and/or their affiliates including employees to profit or dispose of assets to the benefit of Seavest and/or their affiliates versus their duty to make investment decisions and act in the best interests of the Funds. Neither Seavest and/or their affiliates including employees and or the General Partners of the Funds will receive transaction-based compensation regarding such transactions or any other benefit whether monetary or other (other than the management fees and incentive allocations/fees otherwise payable by the Fund participating in such transaction). Also, reference "Valuation of Fund Assets" section of this brochure where Seavest will disclose to all limited partners in any Fund the portfolio assets to be sold to a Fund as well as the fair value pricing to a Seavest affiliate, and supporting documentation of fair value as requested prior to requesting formal written consent and approval by the Advisory or Oversight Committees representing the Funds.

Additionally, an existing Seavest Fund can invest in other newly formed investment vehicles that have similar investment objectives and in a manner, that is consistent with the existing Seavest Fund. For these investments, the General Partner credits the existing Fund any fees and carried interest that it receives from the newly formed investment vehicles that are duplicative of fees and carried interest payable by the Fund so that there is no "double-dipping".

Seavest Affiliates, Personal and Fund Investments and Holdings

SFO accounts, employee personal investment accounts including accounts where employees are members or limited partners of private investment vehicles where the employee has beneficial ownership interests of the personal investment accounts or vehicles can continue to hold equity or debt interests in portfolio companies in cases where equity or debt interests have been sold to the

Seavest Funds or have invested in such equity securities or debt instruments prior to the existence of a Seavest Fund. Personal holdings of equity or debt interest of the same portfolio companies by the SFO accounts or affiliated employee personal accounts and personal investment entities presents a conflict of interest between Seavest or its affiliated employees to an economic interest and what is in the best interests of the Funds, when disposing or selling such equity or debt interests by Seavest or its affiliated employees.

Seavest and/or an affiliate including employees will also make investments in the Funds or can purchase (and sell) interests of certain Funds, generally as a co-investment. Seavest believes that these investments will not cause a conflict of interest with the Funds but rather function to better align the interests of the investors with Seavest or employee's interests since Seavest's capital or an affiliate's including employees is being invested alongside the investors' capital. The foregoing relationships, fees and any other actual or potential conflicts of interest arising therefrom are disclosed in the Fund's Governing Documents. Any such investments are made in conformity with the Code's provisions.

Seavest or Affiliate's Loans to the Funds

There are occasions where Seavest or an affiliate makes loans to the Funds for a short period to fund start-up costs for the Fund until such investor capital commitments are called. Additionally, Seavest or an affiliate can pay certain expenses for a Fund that are organized as special purpose vehicles until such assets held by the Fund are sold and the expenses are reimbursed to Seavest or the affiliate. These arrangements could incentivize Seavest or their affiliates in providing financing terms on the loans that are more favorable to Seavest or their affiliates and not in the best interests of the Funds. Seavest or their affiliates have structured the interest rate terms, where applicable, in a manner that benefits the respective Fund and in accordance with the terms as stipulated in the private placement memorandum and related governing documents of the Funds. Such practices will also require the approval of the Advisory or Oversight Committees representing the Funds.

Board Directors and Memberships

Pursuant to Seavest's investment strategy and in the best interests of the Funds, employees and other related persons of Seavest, by virtue of the governing agreements that are negotiated with portfolio companies at the time of investment, will serve as directors or members on the boards of the portfolio companies invested in the Funds. While the interests of a Fund as a shareholder in a portfolio company generally align with the interests of shareholders more broadly, it is possible that our employee's fiduciary duties to the portfolio company and its shareholders as a director will conflict with the interests of the Fund. Additionally, employees or its related persons can receive compensation or other financial or non-financial and ancillary benefits such as gifts and entertainment and other items of value. Serving in such a capacity exposes Seavest, its employees and other related persons, and by association, Seavest and the Funds, to certain conflicts of interest between Seavest, its employees or related persons' economic interest and what is in the best interests of the Funds (e.g., with respect to Seavest making investment decisions for the Funds).

Side Arrangements with Investors

Seavest can provide more favorable treatment to certain Investors over other Investors in the same Fund. Such arrangements establish rights under, altering or supplementing the terms of the limited partnership agreements, subscription agreements and offering memoranda of the affected Funds or be unrelated to a Fund. Certain arrangements can be granted to incentivize or permit Investors to invest in a Fund, invest certain amounts or invest with Seavest in the future.

Seavest as a Service Provider to the Funds

Seavest receives fees separate from its management fee and carried interest from investments in the Funds regarding accounting, administrative, recordkeeping services and property management services provided to the Funds. Seavest or other related persons can also provide directly or hire third party firms to provide property management services to the real estate related Funds. Such relationships can influence Seavest's investment decisions for the Funds which presents a conflict between Seavest and or affiliate's economic interest and what is in the best interests of the Funds. Although Seavest can receive these fees from the Seavest Funds, the opportunity to earn these fees creates a conflict of interest between Seavest, the Fund and its Investors because the amounts of such fees can be substantial or not competitive with other third-party service providers. Seavest determines the amount of these fees on its own discretion, subject to good faith agreements with the Funds and the terms of the Seavest Fund governing documents.

Allocation of Investment Opportunities and Personal Benefits

The Seavest Funds can have investments in portfolio companies that compete in the same industry or might make investments in the same portfolio company across multiple Funds. In other instances, relationships developed about one or more Funds can result in deal flow for other Funds. If the Funds hold different securities in the same portfolio company (including with respect to their relative seniority, and whether such securities are purchased contemporaneously or otherwise), Seavest and its affiliates including certain employees might be presented with decisions when the interests of the two Funds are in conflict. For example, a portfolio company might be sourced by one investment team member for a Fund who is financially incentivized or have an investment in a Fund that could be eligible for an investment in another Seavest Fund; as such, Seavest and its affiliates including employees can have conflicting loyalties between its duties for one Fund versus another Fund. In that regard, actions could be taken for one Fund that is averse to such other Fund.

Mitigating and Resolving Conflicts of Interests

As Seavest becomes aware of any potential or actual conflicts of interest, such conflicts will be resolved on a case-by-case basis considering the interests of the Funds, Investors and other relevant parties and in accordance with the policies of this Code, other Seavest compliance policies and procedures and applicable regulations. Additionally, many conflicts of interests that are faced by Seavest are resolved in a manner that is consistent with Fund governing documents and investment management agreements and subject to review by the Advisory or Oversight Committees that are established pursuant to such Fund documents. To mitigate and resolve such conflicts, Seavest has implemented the Code and other related compliance program policies and procedures as described below:

1. Conflicts of Interest policy that requires the review by a Conflicts Committee of proposed investments and sales for the Fund and other transactions such as a loan to the Funds, the hiring of service providers and other similar business arrangements by Seavest and its affiliates for resolution prior to the transaction or activity.
2. Pre-clearance of personal investment transactions by the SFO and other employees.
3. Cross and principal transactions policies that require the approval of the Chief Compliance Officer and reviews of such transactions by the Conflicts Committee.
4. Restrictions placed on Supervised Persons on the acceptance and provision of gifts and entertainment involving Seavest service providers, Investors, government officials and other business relationships.
5. Approval of Supervised Person's outside business activities that conflict with Seavest business activities and the Fund's interests including Investors to the Funds.
6. Restrictions and pre-clearance by the Chief Compliance Officer and the Chief Operating Officer on certain political contributions and activities to comply with regulations.
7. Policies and procedures addressing the allocation of investment opportunities reasonably designed to ensure fair and equitable allocations among Funds and employee personal investment holdings. Also, reference Item 12 Brokerage Practices of this brochure.

Valuation of Fund Assets

Seavest has the authority to determine the value of Fund investments which can be illiquid or difficult to value and, in such cases, have an incentive to select the highest potential value for these investments. Seavest has three distinct investment strategies and applies valuations to real estate property holdings, venture capital and private equity related portfolio companies.

Seavest's valuation policies and procedures focuses on valuing each investment at fair value by employing an appropriate basis for that asset type while maintaining a consistent and transparent approach across all portfolios in accordance with the provisions of Financial Accounting Standards Boards ("FASB") under Accounting Standards Codification ("ASC") Topic 820, "Fair Value Measurements and Disclosures. Investments reported at fair value are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, defined by ASC 820 are directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities.

The valuation policy strives to use the "market approach" wherever possible; the primary technique for estimating fair value is by using the most readily observable comparable transactions or relevant performance multiple for each investment. Both decreases and increases

in value are recognized when warranted, and there is no bias toward either increasing or decreasing carrying value to record fair value.

For all Funds except for the SFO Assets, management fees are based on committed or funded capital (original, drawn, or outstanding, depending on the Fund), not on the net asset value (NAV) of the Funds. To mitigate the effects of a potential conflict, there is no impact of interim asset valuations on management fees. Each fund's incentive fees are based on final realized performance instead of any interim valuation.

Portfolio assets purchased directly or indirectly by affiliates of the Fund prior to the launch of the Fund can be transferred to a Seavest Fund. To avoid taking an unnecessary loss on a valuable investment, such Fund's Advisory Board can offer limited partners the option of transferring the asset at a fair price to an existing Fund or taking partial ownership of a new Fund. In such a situation, Seavest would disclose to all limited partners in any Fund geared toward this asset class the specifics of the asset as well as the pricing which is generally at cost to a Seavest affiliate and supporting documentation of fair value prior to requesting formal written consent and approval by the Advisory or Oversight Committees of the Funds for the proposed transfer prior to the asset transfer and subject to Seavest's principal transaction policy when applicable. With each asset transfer, generally there will be no additional transaction costs or other fees associated with the affiliated transactions.

Seavest's valuation process for each of the Funds is governed by its Investment Committee or the specific Valuation Committee designated by the General Partners of the Funds. For real estate properties Asset Managers are responsible for providing updated valuations in accordance with the firm's valuation policies and procedures (based on direct capitalization and discounted cash flow analysis) and any third-party appraisal available at that time. These values are then reviewed in detail by the Investment Committee prior to being finalized on a quarterly basis. The members of the Real Estate Investment Committee for Real Estate Assets include the Chief Executive Officer and the Chief Investment Officer of Seavest Healthcare Properties, LLC, and the Chief Executive Officer, and Chief Financial Officer of the Seavest Investment Group, LLC. The Valuation Committees for Funds sponsored by Rethink Capital Partners are set up and managed by the Individual General Partners of each fund, but generally include Partners and Employees of the Funds manager. On an annual basis the General Partner(s) for each Fund, in conjunction with the Controller and Chief Financial Officer, present the valuations to an outside audit firm for review in connection with the audit of the fair value financial statements and related footnotes of the Fund.

To ensure consistency and possible mitigation of potential conflicts of interests that could arise with valuations, Seavest's valuation policies, periodic updates, and any deviations from it must be approved by the respective Fund's Valuation Committee and the Chief Compliance Officer. The Chief Compliance Officer is also responsible to review, minimally, on an annual basis the valuation process to reasonably ensure consistency with the valuation policies and procedures. Any changes to the valuation process that will not conform to the valuation policies including

any new valuation methodologies applied to the Fund's investments, must be reviewed and approved by the Chief Compliance Officer.

No process and procedures can fully address all issues that affect valuations which arise in the financial markets. Seavest strives to use the same valuation methodology for a given asset class through the life of the Funds. However, sometimes a new methodology provides a better approximation of an investment's current fair value. At such time, Seavest will amend its valuation policy to utilize the new methodology or note the change if it applies only to a specific asset.

Item 12. Brokerage Practices

Seavest does not trade in publicly traded securities therefore broker-dealer selection and best execution requirements generally do not apply. Seavest distributes "in-kind" portfolio company securities received on a pro rata basis or as otherwise provided in Fund offering documents and as permitted by law.

SFO will from time-to-time purchase or sell publicly traded securities through a broker for SFO Accounts and in those circumstances, will seek the best overall execution considering the circumstances involved in transactions. In selecting a broker for any transaction, the SFO considers all factors including, but not limited to, net price, reputation, financial strength and stability, efficiency of execution and error resolution, transaction size and the market for the security.

Allocation of Investment Opportunities

Seavest specializes in the acquisition and management of privately offered real estate, venture capital and private equity investments for the Funds. Generally, the Funds have specific parameters and investment objectives related to investment requirements based on industry, revenues and stage of the real estate property and/or portfolio companies. Generally, Seavest does not aggregate purchases or sales of securities for the Funds; however, there are circumstances where the Seavest Funds have similar or overlapping investment programs. As a fiduciary, Seavest has a duty to act in the best interests of each Fund and, where conflicts of interest among Funds exist, such conflicts of interest will be resolved in a manner that treats each Fund fairly and equitably.

General Allocation Policy

- 1) Investment opportunities shall generally be sourced by the investment team of each particular Fund. Such investment team, in their sole discretion, can then elect to bring such investment opportunity to such Fund's Investment Committee for review and consideration.
- 2) The Investment Committee of each Fund shall generally determine whether an investment opportunity is appropriate and permissible for such Fund pursuant to the organizational and offering documents of such Fund, other considerations deemed appropriate and consistent with the Firm's fiduciary obligations to such Fund, including those set forth

below, as well as applicable laws, rules and regulations (collectively, the “Criteria”). Such Criteria include, without limitation:

- a. Investment restrictions in the organizational and offering documents of a Fund (which will include any side letters prohibiting an investor's participation in an investment by a Fund) or financing or leverage agreements.
 - b. Liquidity (*e.g.*, allocation size varies depending on a Fund's cash availability, the other liquidity obligations of the Fund and/or availability of investment shares or other investments, commitments made to other investments).
 - c. Tax considerations (*e.g.*, FIRPTA and UBTI).
 - d. Regulatory considerations, including, banking, VCOC/REOC and foreign laws and regulations.
 - e. Current portfolio composition and risk management (*e.g.*, a Fund's investments could already be concentrated in a particular industry or geographic location so its allocation will be reduced).
 - f. Investment objectives and policies.
 - g. Investment opportunities other than the prospective investment opportunity can be available to certain Funds under their investment objectives and policies. Such other investment opportunities can be more attractive from a risk/reward perspective for such Fund than an allocation of the prospective investment, in which case, the allocation of such investment will not be made or will be reduced.
 - h. Co-investment obligations to investors in Funds and/or third parties.
 - i. Indicated preference for a particular Fund investment by the management team of a portfolio company or asset.
- 3) If the Investment Committee of a Fund determines that an investment opportunity sourced by such Fund's investment team is appropriate and permissible for such Fund, the Investment Committee shall determine the desired amount of investment for such Fund based on such Criteria, without regard to any other Fund.
- 4) In the event of Competing Investment Opportunities (as defined below), such investment opportunity shall be allocated to the Fund(s) whose terms have been accepted by the management team of such portfolio company or asset. For purposes hereof, “Competing Investment Opportunities” are investment opportunities in the same portfolio company or asset that (i) have been sourced by members of different Fund investment teams at the same time and (ii) presented to each such Fund's Investment Committee.

- 5) If an Investment Committee determines that there is excess capacity in an investment after assessing the initial allocation to the relevant Fund in accordance with steps 1 to 4 above, Seavest can present such investment opportunity to the investment team(s) of any other Fund(s) that are eligible to invest in such opportunity based on Criteria. Such investment teams might then elect to bring the opportunity to their respective Funds' Investment Committee(s) for review and consideration. If the Investment Committee of a Fund determines that such investment opportunity is appropriate and permissible for such Fund based on the Criteria, such Investment Committee will determine the desired amount of investment for such Fund based on such Criteria, without regard to any other Fund.
- 6) If the Investment Committee of a Fund determines that an investment opportunity is not appropriate and/or not permissible for such Fund where such investment is eligible for the Fund after step (2), (4) or (5) above, such Investment Committee shall prepare a written statement regarding such foregone investment opportunity and deliver such statement to the Chief Compliance Officer by email or other communication in writing. Such statement shall set forth the rationale for declining to pursue such investment opportunity.

Procedures Regarding Divestment of Investments

Seavest seeks to divest itself of certain investments fairly and equitably among the Funds. In furtherance of the foregoing, Seavest has implemented the following policies and procedures. For purposes hereof, a "Disposition" means a sale, transfer, disposition or other similar transaction with respect to the securities, instruments and other assets owned or held by a Fund.

1. Disposition opportunities with respect to a Fund's investments shall generally be identified by the investment team of such Fund or presented to such Fund by an underlying portfolio company. Such Fund's investment team, in their sole discretion, can then elect to bring such Disposition opportunity to such Fund's Investment Committee for review and consideration.
2. The Investment Committee of each Fund shall generally determine whether a Disposition opportunity is appropriate and permissible for such Fund pursuant to the Criteria.
3. In the event of Competing Dispositions, such Disposition opportunity shall be allocated to the Fund(s) whose terms have been accepted by the management team of such portfolio company or asset. For purposes hereof, "Competing Dispositions" are Disposition opportunities in the same portfolio company or asset that (i) have been sourced by members of different Fund investment teams at the same time and (ii) presented to each such Fund's Investment Committee for approval under step (1) above.

Procedures Regarding Co-Investment Opportunities

Seavest will, from time to time, offer certain investors in one or more Funds and/or third parties the right or opportunity to co-invest with such Funds in certain portfolio investments. Seavest's decision to offer (or not offer) co-investment opportunities to any investor in a Fund and/or one or more third parties shall be made in the sole discretion of Seavest, subject to the terms of any

binding agreements with respect to allocations of co-investment opportunities that will be set forth in the applicable Funds' governing documentation and/or side letters.

Seavest can offer such co-investment opportunities in instances in which the amount available for investment exceeds the amount Seavest believes should be invested by the Funds or where the eligible Funds are fully invested in the co-investment opportunity. Seavest can also offer co-investment opportunities to other persons based on a number of factors, including, but not limited to (i) the extent by which the size of the transaction exceeds the amount Seavest believes should be invested by the Funds based on the Criteria, (ii) the ability of such persons to generate future investment opportunities or provide other benefits to Seavest, and/or (iii) the ability of such persons to provide analytical and market advice or other expertise that would be valuable to Seavest.

Conflicts Review Regarding Fund Transactions and Allocations

Conflicts of interest can arise regarding the allocation of limited investment opportunities among the Funds, other Advisory Clients and Seavest, its employees or control persons or other Advisory Affiliates. Seavest's "Conflicts of Interest Policy" requires a review of Fund or other Advisory Client transactions and service providers for potential conflicts of interest. As part of this review, Seavest's Chief Compliance Officer and/or the Conflicts Committee will review allocations of the investment opportunities between the Funds and/or other Advisory Clients when applicable and the terms of the Fund documents and/or investment advisory agreements prior to the transaction.

For every investment, co-investment and disposition of assets for all Seavest Funds and Advisory Clients, a member of the Investment Committee for the respective Funds must present the proposed investment or disposition of assets to the Chief Compliance Officer for a conflicts of interest review prior to the consummation of such investment or disposition of assets. Regarding such presentation, the Investment Committee will be required to complete and deliver to the Chief Compliance Officer a "Conflicts of Interest Questionnaire" as set forth in Seavest's Code of Ethics & Personal Trading Policy (the "COI Questionnaire"). If the Chief Compliance Officer identifies one or more potential conflicts of interest including, but not limited to, a possible allocation to another Fund or a disposition of an asset while one or more of the other Funds continue to hold such asset, such conflict(s) will be presented to the Conflicts Committee for further review, approval and resolution prior to consummation of such investment or disposition of assets.

Fund Governing Documents

Notwithstanding anything to the contrary set forth herein, the allocation policies and procedures used by Seavest with respect to any particular Fund will be set forth in the binding and offering organizational documents of one or more of the Funds. To the extent of any inconsistency between this Allocation Policy and such documents (or any other binding agreements that set forth the terms and conditions applicable to any of the Funds), the terms of the binding offering and organizational documents (and/or such other agreements) with respect to such Fund shall govern and control.

Item 13. Review of Accounts

Oversight and Monitoring

Seavest closely monitors the investments of each Fund and generally maintains an ongoing oversight position in portfolio investments. The portfolios of the Funds are reviewed by a team of investment professionals no less frequently than quarterly. The team generally includes the investment committee and other Seavest investment professionals.

Reporting

Seavest reports to Fund Investors on a monthly or quarterly basis, except for SFO Assets and certain other Funds. Fund Investors are reported to utilizing U.S. Generally Accepted Accounting Principles (“GAAP”) accounting with audits performed annually for most Funds. Quarterly reports are distributed to Investors within 45 to 90 days, and monthly reports are distributed to Investors within 20 days, as defined in Fund agreements, of the end of each reporting period. Fund Investors also receive an annual report as well as financial statements audited by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board (“PCAOB”), in accordance with GAAP, within 120 days of the end of the Funds’ respective fiscal years (*i.e.*, generally by April 30). The annual report provides a list of all investments, overviews of each investment and asset valuations.

SFO and Seavest maintain the books and records of the Funds and engages an independent PCAOB registered auditing firm to conduct an annual independent verification of the Funds’ securities and funds without prior notice to Seavest (a “surprise audit”), for those Funds that do not receive an annual audit mentioned in the preceding paragraph. Its qualified custodians send quarterly account statements to the underlying Investors identifying the Funds securities and funds. Some SFO Assets hold a single asset which is a limited partnership or member investment in another third party managed fund. These SFO Assets receive audited financials from the respective third-party managed fund. SFO provides audited financials to the underlying Investors of the applicable third-party managed fund. SFO prepares and distributes to underlying Investors annual investment reports disclosing the year-end fair values of its investments and describing annual performance and significant transactions during the year. See Item 15 for additional information pertaining to custody of Fund and client assets.

Item 14. Client Referrals and Other Compensation

Seavest's fundraising efforts are primarily sourced and negotiated on an exclusive basis via industry-based relationships of its executive management team. Seavest or its affiliates can enter written arrangements with placement agents or third-party cash solicitors. To the extent Seavest engages a placement agent, such terms and conditions will be disclosed to each potential Investor in a Fund consistent with applicable law. To the extent Seavest engages a third-party cash solicitor, all such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

Item 15. Custody

As Seavest's investment program primarily involves investments in private companies or real estate properties, Seavest generally will be exempt from the requirement that securities be maintained with a "qualified custodian." Seavest anticipates that most its investments in private companies will involve securities that are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated, to the extent ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the client; and (iii) transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer.

Seavest or an affiliate is deemed to have indirect custody of the underlying assets of certain Funds by its status as investment manager or General Partner to the Funds. With respect to these Funds, financial statements are prepared in accordance with GAAP which are audited by an independent accounting firm that is registered with and subject to examination by the PCAOB and are distributed to the Fund's investors within 120 days following such Fund's fiscal year end and promptly after liquidation. The Funds subject to such audits also rely on the privately offered securities exemption provided in Rule 206(4)-2 under the Advisers Act.

Certain other Funds and SFO Accounts have an independent accountant registered with and subject to examination by the PCAOB to verify the cash and securities of such Funds or accounts by a surprise examination conducted on an annual basis pursuant to a written agreement. Investors in such Funds and accounts receive notice that cash and securities of these accounts are maintained by a qualified custodian. Seavest receives a copy of such custodian statements and has a reasonable basis to believe after due inquiry, that the custodian sends statements at least quarterly containing Funds or SFO Account information identifying the amount of cash and each security in the Fund or SFO Account during that period to the underlying Investors in the Fund or SFO Account. The independent accountant is required to make certain disclosures to the SEC and notify the SEC within one business day of any material discrepancies discovered during the surprise custody audit.

To the extent that Seavest's investments in private companies involve securities that are certificated, but also are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering and (ii) transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer, Seavest will maintain and provide safekeeping for such certificates in accordance with applicable regulations.

Item 16. Investment Discretion

Seavest manages Funds both on a discretionary and non-discretionary basis. For discretionary Funds, Seavest's investment discretion and authority is granted pursuant to the applicable investment management agreement for the Fund and in accordance with the terms of the Funds' governing documents. In addition, Seavest is subject to restrictions set forth in the Funds governing documents. Most Funds have an Advisory Board or Oversight Committees, which includes investor representation, with approval rights over matters, including but not limited to, affiliate transactions, exceeding leverage or diversification limits, conflicts of interests and extension of the Funds' terms.

Item 17. Voting Client Securities

Due to the nature of its investments in private real estate transactions or of private companies, proxy voting is not as applicable as it would be if it traded in publicly traded securities. In the event Seavest receives a proxy or corporate action from one of its portfolio investments, Seavest will, unless otherwise directed in writing by a Client, to vote such proxy or move on such corporate action in a manner that is in the best interest of each of its portfolios and in the interest of maximizing investor value.

Seavest has set forth those factors considered when voting such proxy or moving on corporate action, such as, the short and long-term implications of such proposal and any material conflicts of interest in voting a portfolio's proxy, in its proxy voting policy.

Item 18. Financial Information

Seavest is not aware of any financial condition that could impair its ability to meet its contractual obligations.