

Item 1 Cover Page

Form ADV Part 2A: Firm Brochure

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This Brochure provides information about the qualifications and business practices of Artemis Real Estate Partners, LLC (“*Artemis*”). If you have any questions about the contents of this Brochure, please contact Jim Hurley at (240)-235-2024 or by email at jim.hurley@artemisrep.com. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority, and references in this Brochure to Artemis as a “registered investment adviser” are not intended to imply a certain level of skill or training.

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

Item 2 Material Changes

Artemis Real Estate Partners, LLC (“*Artemis*”) is a registered investment adviser with the United States Securities and Exchange Commission (the “*SEC*”). Artemis filed its most recent Form ADV Part 2A on March 31, 2021. This other-than-annual-amendment (the “*Brochure*”) has been updated with respect to Item 4, Item 5 and Item 10. Recipients of this updated Brochure are encouraged to read it carefully and in its entirety.

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Item 4 **Advisory Business**

The Advisory Business and Principal Owners

Artemis Real Estate Partners, LLC (“**Artemis**” or the “**Firm**”), the filing adviser, and Artemis Real Estate Advisors, LLC, a wholly owned subsidiary of Artemis filing as a relying adviser (“**AREA**”), are considered to be an integrated investment advisory business and therefore, are filing a single Form ADV with the Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940, as amended (“**Advisers Act**”). Throughout this Brochure, references to Artemis (including in the context of advisory services to SMAs (as defined herein)) will include references to AREA, unless the context requires otherwise.

Artemis is a private equity real estate investment firm providing advisory services to commingled, closed-end real estate funds, special purpose investment vehicles for select institutional and high net worth third party capital and directly to one or more institutional investors. Founded in September 2009 and headquartered in Chevy Chase, Maryland, Artemis employs a variety of real estate strategies focused on U.S. commercial real estate private equity investments.

Artemis was co-founded by Ms. Deborah Harmon (through DLH Capital, LLC) and Ms. Penny Pritzker (through AREP Investors, L.L.C.), each of whom has over 25 years of investing experience in the real estate business. Ms. Harmon serves as the Chief Executive Officer of the Firm. In the course of her over 25 years’ experience in the real estate business before co-founding Artemis, Ms. Harmon has, among other things, held a leadership role in raising and deploying capital for multiple US-focused real estate funds and has overseen successful real estate investments across a wide variety of investment strategies, including significant investments in debt and distressed real estate assets. Her extensive experience with respect to distressed real estate assets included acquiring, working out and servicing non-performing loans and distressed real estate from the Resolution Trust Corporation (RTC) and the Federal Deposit Insurance Corporation (FDIC). Until June 26, 2013, Ms. Pritzker served as the Chairman of Artemis. Ms. Pritzker resigned as Chairman of Artemis on June 27, 2013 to assume her role as Secretary of the United States Department of Commerce. Ms. Pritzker currently remains in a non-operating and non-policymaking role for Artemis. Ms. Pritzker is the founder and Chairman of PSP Capital Partners and its affiliate, Pritzker Realty Group. Ms. Harmon and Ms. Pritzker, or their respective affiliates, collectively, directly or indirectly, own a majority interest in Artemis. In February 2011, Artemis brought in a President, Alex Gilbert, who indirectly holds a minority stake in the Firm. Certain affiliates of Investcorp Strategic Capital Partners GP, L.P. (collectively, “**Minority Investor**”) are an indirect owner of a passive, non-voting and non-controlling minority interest in Artemis and its affiliates. Additional information relating to Artemis’ ownership can be found on Schedule A of Artemis’ Form ADV Part 1.

Advisory Services

Artemis and its affiliates provide real estate investment advisory services to private investment funds (“**Funds**”), other special purpose investment vehicle clients (“**Separate Account Vehicles**”) and directly to one or more institutional investors (“**SMAs**” and together with the Separate Account Vehicles and the Funds, “**Clients**”). Artemis sponsored Funds are organized as

either commingled, pooled real estate funds or single-investor funds, over which Artemis generally maintains broad investment discretion, subject to certain investment guidelines and restrictions set forth in the Funds' applicable governing documents and investor side letters, provided, however, that Artemis does not maintain investment discretion with respect to HC II Sidecar. Separate Account Vehicle clients are generally organized as special purpose vehicles with one principal outside investor, subject to direct or indirect participation by Artemis or its affiliates. Separate Account Vehicles have negotiated investment guidelines.

Artemis sponsored Funds include Artemis Real Estate Partners Fund I, L.P. and its parallel fund, Artemis Real Estate Partners Fund I (NR), L.P. (collectively, "**Fund I**"), Artemis Real Estate Partners Fund II, L.P. ("**Fund II**"), Artemis Real Estate Partners Fund III, L.P. and its parallel fund, Artemis Real Estate Partners Fund III (Parallel), L.P. (collectively "**Fund III**") (Fund III together with Fund I and Fund II, the "**Opportunistic Funds**"), Artemis Real Estate Partners Healthcare Fund I, L.P. (the "**HC Fund I**"), Artemis Real Estate Partners Healthcare Fund II, L.P. ("**AREP HC Fund II**"), Artemis Real Estate Partners Healthcare Fund II Sidecar-C, L.P. ("**HC II Sidecar**" and together with AREP HC Fund II, "**HC Fund II**") (HC Fund II together with HC Fund I, the "**Healthcare Funds**") and Artemis Real Estate Partners Income and Growth Fund, L.P., its parallel fund, Artemis Real Estate Partners Income and Growth (Parallel) Fund, L.P. (collectively, "**I&G Fund I**") and Artemis Income and Growth Sidecar Fund, L.P. ("**I&G Sidecar**" and together with I&G Fund I, the "**I&G Funds**"). The Opportunistic Funds utilize a value-oriented combination of opportunistic acquisition philosophies with value enhancement programs, and focus on distressed, mispriced, underperforming, undervalued or overlooked investment opportunities where assets or interests in such assets may be acquired below what Artemis believes to be market value and where Artemis believes that the applicable Fund is able to enhance value and mitigate risk through active asset management and investment structuring. The Opportunistic Funds generally focus on middle market targeted distressed situations and renovation, repositioning and releasing investment opportunities or development opportunities where Artemis believes real estate equity and debt assets can be purchased or developed to generate attractive risk-adjusted returns. Fund III's investment period is currently open. The Healthcare Funds generally focus on core plus assets across major real estate product types in the healthcare industry, including senior apartments, independent living, assisted living, memory care, continuing care retirement communities, medical office and other healthcare-related facilities located in the U.S. HC Fund II's investment period is currently open. The I&G Funds, whose investment period is open, generally focus on middle market core plus assets where Artemis believes real estate equity and debt assets can be purchased to generate attractive risk-adjusted returns.

The Funds offer interests only to certain qualified investors and admission to each of the Funds is only via a "private offering" (i.e., is not open to the general public). Limited partnership interests are sold only to qualified investors who are "accredited investors" under Rule 501 of Regulation D of the Securities Act of 1933, as amended (the "**Securities Act**"), and "qualified purchasers" as such term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Specific details relating to the advisory and management services provided to the Funds, including details relating to fees, liquidity rights and risks, amongst others, are fully disclosed in each Fund's respective governing documents (e.g., Limited Partnership Agreement(s), Confidential Offering Memorandum (if applicable), Subscription Booklet) (together, the "**Offering Documents**").

Artemis also advises Separate Account Vehicles, which generally use various investment strategies, including core-plus, core, “best ideas” and/or debt strategy and in certain cases, focus on joint ventures with emerging manager partners. Separate Account Vehicles are generally structured as special purpose vehicles owned by a principal outside investor, subject to participation by Artemis or its affiliates directly (or indirectly via affiliated special purpose vehicles established solely for Artemis or its affiliates). Both emerging manager partners and investments for Separate Account Vehicles are subject to negotiated guidelines and a prior consent of the principal Separate Account Vehicle investor may be required (in respect of partners and/or investments). Artemis’ Separate Account Vehicles will be discretionary or non-discretionary depending on whether prior consent for investments or partners is required. When deemed appropriate or desirable for a large or strategic investor (and subject to its agreements with current investors), Artemis may establish one or more additional special purpose vehicles, which may (i) tailor their investment objectives to the specific investor, and/or (ii) be subject to different terms and fees than those of the Funds. Investment objectives, fee arrangements and other terms, including approval rights, for Separate Account Vehicles will be individually negotiated. Separate Account Vehicle relationships would generally be subject to significant account minimums.

Artemis (through AREA) also provides non-discretionary investment advisory services to a certain institutional investor with respect to such investor’s investment in a joint venture with an unaffiliated third-party operating partner. Artemis maintains no investment discretion with respect to this SMA, and Artemis is subject to negotiated guidelines, restrictions, investment objectives, fee arrangements and other terms as set forth in the advisory agreement entered into with this SMA.

Substantially all of Artemis’ revenues are expected to be related to real estate investment advisory and management services provided to real estate Funds, Separate Account Vehicles and SMAs. Outside of investment advice related to real estate-related investments, the Firm currently does not offer other advisory services.

Artemis may enter into side letter agreements with certain investors in each Fund that may have the effect of establishing rights under or altering or supplementing the terms of such Fund’s agreement with respect to such investors that differ from those applicable to other investors in such Fund. Such rights or terms in any such side letter may include, without limitation, (i) reporting obligations of the general partner, (ii) waiver of certain confidentiality obligations, (iii) consent of the general partner to certain transfers by such investor, (iv) rights or terms necessary in light of particular legal or regulatory characteristics of an investor, (v) co-investment rights and priorities and (vi) certain fee and promote arrangements with respect to such investor.

As of December 31, 2020¹, Artemis had \$2,824,863,530² in discretionary assets under management and \$1,857,748,365³ in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

The Funds

Artemis will generally receive an annual management fee that is calculated as a percentage of the capital commitment of each investor (or a combination of the un-invested capital commitment and the invested capital of each investor) in a Fund from the initial closing of such Fund through the end of such Fund's commitment period and, thereafter, as a percentage of the net invested capital of each investor in such Fund. Artemis, in its discretion, may waive or reduce the management fee as to all or any of the investors in each Fund or agree with an investor to waive or alter the management fee as to that investor.

Investors referred to HC Fund I through an unaffiliated placement agent may bear certain placement fees in addition to the management fee. See Item 14 for additional information.

Artemis or its affiliates will generally also receive distributions of the profits from each Fund as its carried interest only after the investors in such Fund have achieved a 100% return on their aggregate capital contributions, plus a specified preferred return. Artemis, in its discretion, may waive or reduce the carried interest distribution related to all or any of the investors in such Fund or agree with an investor to waive or alter the carried interest distribution related to that investor. Artemis does not receive any carried interest from HC II Sidecar.

The management fee generally will be paid by each Fund quarterly in advance as of the first day of each calendar quarter. Carried interest distributions from each Fund generally are paid out as a distribution of net cash proceeds after the relevant return hurdles have been achieved for Fund investors. In the event that a Fund's investment management agreement with Artemis terminates during a period covered by management fees paid in advance, Artemis generally would pro rate such management fee and reimburse such Fund the portion of such management fee covering the remainder of the period, provided, however, that in the event Artemis is removed without cause pursuant to the relevant Fund's investment management agreement, Artemis may be entitled to retain management fees (or a portion thereof) as negotiated.

Investors and prospective investors in the Funds should refer to the Offering Documents for the applicable Fund for a detailed description of the management fee calculations and distribution waterfall priorities providing profit-based distributions, if any.

¹ AUM is calculated as of December 31, 2020 other than with respect to Artemis Clients with initial closings after such date (in which case AUM is calculated as of such Clients initial closing date). Please refer to Footnotes 2 and 3.

² Includes \$285,500,000 of capital raised for AREP HC Fund II as of its initial closing in March 2021.

³ Includes \$300,600,000 of capital raised for Separate Account Vehicle Client as of its initial closing in February 2021 and \$150,000,000 of capital raised for HC II Sidecar as of its initial closing in March 2021.

Minority Investor is an indirect owner of a passive, non-voting and non-controlling minority interest in Artemis and its affiliates. This ownership interest entitles Minority Investor to participate in the net fee income and carried interest from certain Clients managed or advised by Artemis. Minority Investor does not participate in the investment process or the day-to-day management of Artemis or its Clients.

Subject to any expense limitation set forth in a Fund's offering documents, each Fund will bear all organizational and offering expenses (including legal, travel, accounting, tax, consulting, filing, printing and other expenses) incurred by it or on its behalf in connection with the formation of such Fund. Each Fund will also bear all necessary expenses of its operation and administration, which may include: (i) costs and expenses incurred in identifying, evaluating, developing, negotiating and structuring investments (whether or not consummated and including entertainment and networking costs related to deal and financing sources), and acquisition and financing costs, hedging, disposing of or otherwise dealing with investments, including, without limitation, any investment banking, engineering, appraisal, subscription database, environmental, travel, legal and accounting expenses, any deposits and commitment fees and other fees and out-of-pocket costs related thereto, and the costs of rendering financial assistance to or arranging for financing for any assets or businesses constituting investments or for working capital; (ii) costs and expenses incurred in monitoring investments, including, without limitation, any engineering, environmental, third-party payment processing, licensing, filing, travel, legal and accounting expenses and other fees and out-of-pocket costs related thereto; (iii) taxes, fees or other governmental, regulatory, licensing, filing or registration fees or charges; (iv) costs related to litigation, arbitration, or other regulatory or tax proceedings, investigations or audits; (v) expenses and fees associated with third-party accountants, administrators, consultants, attorneys and tax advisors, with respect to the Funds, including the preparation and auditing of financial reports and statements and other similar matters, and costs associated with the distribution of financial and other reports to Fund investors (including the establishment and maintenance of an online communication portal through which to transmit documents to the Fund investors), and costs associated with meetings of Fund investors; (vi) brokerage commissions and other investment costs incurred by or on behalf of the Fund and paid to third-parties; (vii) all expenses associated with obtaining and maintaining insurance; (viii) indemnification expenses; (ix) fees incurred in connection with the maintenance of bank or custodian accounts; (x) all expenses incurred in connection with the registration of the securities of such Fund; (xi) costs associated with meetings of Fund investors in such Fund; (xii) other operating expenses; and (xiii) all fees and expenses due to CRE Legal and Great Falls for services provided to such Fund and/or its subsidiaries. For additional information regarding brokerage commissions, see Item 12 below. For more detailed information and a complete description regarding each Fund's fees and expenses please refer to the applicable Fund's Offering Documents.

In the case of investment opportunities that are pursued along with co-investors but ultimately are not consummated, the principal investing Fund may bear (as operating expenses of such Fund) any costs, fees or expenses that would have been borne directly or indirectly by some or all co-investor(s) if the relevant co-investment had been completed.

Separate Account Vehicles

Artemis will generally receive an annual management fee that is calculated as a percentage of a Separate Account Vehicle investor's capital commitment or net invested capital. Artemis or its affiliates may also receive distributions of the profits from a Separate Account Vehicle as its carried interest after the investors in the Separate Account Vehicle have achieved the return hurdles applicable to such Separate Account Vehicle.

The management fee generally will be paid by the Separate Account Vehicles quarterly in advance as of the first business day of each calendar quarter. Carried interest distributions (if they apply) from the Separate Account Vehicles generally are paid out as a distribution of net cash proceeds after the relevant return hurdles have been achieved. In the event that a Separate Account Vehicle terminates during a period covered by management fees paid in advance, Artemis generally would pro rate such management fee and reimburse the Separate Account Vehicle the portion of such management fee covering the remainder of the period, provided, however, that in the event Artemis is removed without cause pursuant to the relevant Separate Account Vehicles' investment management agreement, Artemis may be entitled to retain management fees (or a portion thereof) as negotiated.

Fees and carried interest paid to Artemis or its affiliates by Separate Account Vehicle Clients are negotiable and vary. Fees are set forth in the governing documents, and/or investment management agreement applicable to the Separate Account Vehicle Client, and are determined based on the Client's needs, the complexity of the Client's investment objective and the number of portfolio restrictions.

In addition to the management fee and carried interest distributions, a Separate Account Vehicle client is responsible for certain expenses or charges incurred by or on behalf of the separate account, which may include the categories of expenses typically borne by the Funds (as described above under this Item 5 – "**The Funds**"), subject to the specific terms of the Separate Account Vehicle negotiated with the applicable Separate Account Vehicle investors.

***SMA*s**

Artemis will receive an annual management fee that is calculated as a percentage of an SMA institutional investor's net invested capital. The management fee generally will be paid quarterly in arrears. Artemis currently does not earn carried interest distributions from SMA's. In addition to the management fee, the SMA institutional investor is responsible for certain expenses or charges incurred by or on behalf of an SMA, which may include the categories of expenses typically borne by the Funds (as described above under this Item 5 – "**The Funds**"), subject to the specific terms, including a cap on expenses, of the advisory agreement negotiated with the applicable SMA institutional investor.

* * *

To the extent fees, costs and expenses are incurred for the benefit of more than one Client (including items such as reporting, research, consulting and insurance), such expenses will be allocated among the relevant Clients (or, in certain cases, among the relevant Clients and Artemis). Such allocation will be made on a basis reasonably believed by Artemis to be fair and equitable based on the relevant facts, such as the relative sizes of the participating Client accounts, the

activity of the Clients and the particular circumstances that caused the expense to be incurred with respect to each entity. Fees, costs and expenses incurred in respect of a particular investor or group of investors may be charged to or otherwise borne by such investor or group of investors (including by way of set-off of distributions). Artemis regularly evaluates its allocation practices to ensure that such allocations are based on a sound method and accordingly such allocation practices may be subject to change.

Artemis Clients may pay fees to, or reimburse expenses, of certain Artemis affiliates or related parties, which will not reduce the management fees paid by the Funds, the Separate Account Vehicles or the SMAs. Great Falls Advisors, LLC (“**Great Falls**”) provides accounting, information technology, database, administrative, specialized asset management and other general asset management, operational consulting, underwriting and/or other support services to the Funds, Separate Account Vehicles, SMAs, Artemis and other third parties, including emerging managers, which could otherwise be performed by other third parties. Fees paid to Great Falls for services provided to Artemis and the Funds, Separate Account Vehicles and SMAs are intended to provide market or below market rates to Artemis and the Funds, Separate Account Vehicles and SMAs relative to the cost of comparable third party services. In the case of certain personnel that, among other things, provide specialized asset management services or underwriting and other services through Great Falls, their time may be divided between Artemis and its Clients, and accordingly, the fees for such personnel will be allocated on an as incurred time basis between Artemis and its Clients. The fees charged by Great Falls to Artemis and to the Funds, Separate Account Vehicles and SMAs are determined based on the overhead of Great Falls, including the salaries and benefits of Great Falls employees and owners. See Item 10.

CRE Legal Advisors, LLC (“**CRE**”) provides legal services to the Funds, Separate Account Vehicles, SMAs and Artemis on a captive basis. Fees paid to CRE for services provided to Artemis and the Funds, Separate Account Vehicles and SMAs are intended to provide market or below market rates to Artemis and the Funds, Separate Account Vehicles and SMAs relative to the cost of legal fees charged by a comparable law firm. The fees charged by CRE to Artemis and to the Funds, Separate Account Vehicles and SMAs are determined based on the overhead of CRE, including the salaries and benefits of CRE employees and owners. See Item 10.

While fees related to services performed by either Great Falls or CRE employees and owners for the Funds, Separate Account Vehicles and SMAs are generally subject to reimbursement by the applicable Fund, Separate Account Vehicle or SMA, work performed by employees of Artemis and its affiliates are generally not subject to such reimbursement, unless specifically authorized by the applicable vehicle governing documents, even when performing functions for the Funds, Separate Account Vehicles or SMAs. Fees paid to Great Falls or CRE are not shared with Artemis or the applicable the Funds, Separate Account Vehicles or SMAs for which such services are provided, and neither fees nor cost reimbursements paid to Great Falls or CRE offset management fees paid to Artemis by its the Funds, Separate Account Vehicles or SMAs.

Neither Artemis nor its employees accept compensation for the sale of securities or other investment products to Clients.

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

Artemis, or one of its affiliates, may receive performance-based compensation from the Funds and the Separate Account Vehicles in the form of carried interest distributions from the Funds and carried interest distributions from the Separate Account Vehicles, as applicable. Artemis currently does not receive performance-based compensation from SMAs. Fees based on performance will only be charged in accordance with the provisions of Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “*Advisers Act*”). Performance-based compensation may create an incentive for Artemis to cause the Funds or the Separate Account Vehicles to make investments that are riskier than it would otherwise make. Fund and Separate Account Vehicle investors and potential investors are strongly encouraged to carefully review the applicable governing documents for more detail on: (1) how the performance-based distributions of each Fund or Separate Account Vehicle are calculated and paid, including the associated methodology for valuing each Fund’s or Separate Account Vehicle’s investments; and (2) the risks and conflicts associated with performance-based distributions. Performance-based compensation may vary by individual investor and such accommodations may increase or decrease any such investor’s returns relative to the overall Fund or Separate Account vehicle return.

In the event that some Client accounts are charged performance-based compensation but not others, a conflict of interest may arise where Artemis has an incentive to treat some Client accounts preferentially as compared to others because those Client accounts pay performance-based compensation. Such a conflict could also arise because Artemis or one of its portfolio managers or affiliates has an interest in the Client account. In addition, although Artemis will generally be investing for a single Client with a particular strategy at any given time, there may be times where Funds and/or Separate Account Vehicles pursue overlapping strategies and/or have overlapping investment periods. Artemis has adopted a policy to allocate investment opportunities to its Clients on a fair and equitable basis (including taking into account the characteristics of the opportunity, contractual obligations of the Clients, its risk and return profile and the strategies of the relevant Client), notwithstanding any variation in compensation structure or the fact that Artemis or its managers or affiliates may have a proprietary interest in a Client account. In addition, Artemis has adopted procedures, as disclosed to the SMA, to recuse itself for the purpose of advising the SMA solely with respect to a particular investment opportunity in the event that the SMA pursues such investment opportunity which is or is expected to be pursued by a Fund and/or Separate Account Vehicle.

Item 7 Types of Clients

Artemis provides real estate related investment advisory services to Funds, which are structured as pooled investment vehicles or single-investor vehicles operating as private investment funds, Separate Account Vehicle Clients, which are generally structured as special purpose vehicles with one principal outside investor and institutional investors directly. The investors in the Funds, the owners of the Separate Account Vehicles and the SMA institutional investors include private and public pension funds, fund of funds, endowments, high net worth individuals/family foundations and other investment funds and other types of institutional investors.

Artemis' investment advice is primarily provided directly to the Funds and Separate Account Vehicles and not individually to the limited partners or investors of such entities, provided however, in the case of SMAs, Artemis may provide investment advisory services directly to the institutional investors. The Funds and the Separate Account Vehicles are not registered under the Investment Company Act in reliance on either Section 3(c)(7) or Section 3(c)(1) of the Investment Company Act. Artemis generally requires investors in each Fund to make a minimum initial investment of at least \$10,000,000, except for (1) investors referred by a placement agent to HC Fund I, for which Artemis generally requires a minimum initial investment of \$250,000 or (2) as determined by Artemis in its sole discretion. Investors generally must be "accredited investors" under Regulation D of the Securities Act, who are also "qualified purchasers" under Section 2(a)(51)(A) of the Investment Company Act. Artemis generally requires investors in each Fund to make representations concerning their financial sophistication and ability to bear the risk of loss of their entire investment in such Fund. The minimum contribution and investor requirements may be waived by Artemis in its sole discretion.

Each Fund and/or Artemis may enter into a side letter or other similar agreement with a particular investor in such Fund without any further act, approval or vote of any other investors, which may have the effect of establishing rights under or altering or supplementing the terms of such Fund's partnership agreement and form of subscription agreement with respect to such investor in a manner more favorable to such investor than those applicable to other investors.

When deemed appropriate for a large or strategic investor, Artemis may form a special purpose investment vehicle for such investor, which could be subject to terms and fees that differ from those of the current Funds and Separate Account Vehicles. New Separate Account Vehicle fee arrangements and terms will be individually negotiated. However due to the nature of the investments that Artemis manages, such Clients are expected to be sophisticated investors who are qualified purchasers and would likely be subject to significant account minimums.

Artemis also may organize or raise co-investment vehicles to accommodate the specific investment, legal, tax or regulatory needs of certain investors or where the desired allocation of an investment opportunity is exceeded in view of investment size, type, available capital, diversification considerations, location, holding period, and other relevant considerations. One or more strategic investors or operating partners may also be provided co-investment opportunities. See Item 10.

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

Investment Strategies

Artemis' investment strategies include direct and indirect investments in real estate and real estate-related assets in addition to investments in any debt or equity interests in real estate companies. The Firm reviews various industry, market and employment trends using a wide variety of private and public sources. In formulating its investment recommendations, the Firm's acquisitions team reviews factors which generally include: demographic trends and outlook, historical and prospective employment growth, sector/industry breakdown of key employers, outlook for key local employers, real estate sales transaction history and current market inventory, local industry contacts, cost of living indicators, quality of life indicators, housing price trends, construction activity, replacement cost and building cost trends, local financial conditions, and the fiscal health of relevant local and state governments. Additionally, the Firm will generally utilize industry research (*e.g.*, industry periodicals and newsletters) and meet with local industry experts (*e.g.*, brokers, asset managers, regional banks and other professionals) as part of its due diligence process. The results of its analysis are incorporated into underwriting assumptions for transaction structuring, leasing activity, rental rate assumptions, exit strategies and disposition valuation.

The valuation process involves a thorough review of a number of different valuation metrics. In general, Artemis will construct a financial model and perform a Discounted Cash Flow ("*DCF*") analysis for all prospective investments. This entails building a detailed financial model that quantifies management's expectations as it relates to rental growth, financing terms and exit values among other factors. This model will take into account the historical operating performance of the potential investment when preparing underwriting assumptions. Artemis will underwrite such prospective investments based on real estate fundamentals and not solely on financing or exit assumptions.

In considering potential investment opportunities, a number of analytical methods are utilized in an effort to achieve a thorough and in-depth assessment of the potential investment. Different elements of a transaction's cash flow may be discounted with separate discount rates appropriate to the risk of each cash flow stream. In addition to the DCF approach, Artemis will also examine (to the extent applicable) the following other indicators of value:

- (i) Market Comps – Artemis will review current and past sales in the market as a proxy for pricing and liquidity;
- (ii) Replacement Cost – Artemis will review current construction costs and other barriers to entry when valuing investments; and
- (iii) Relative Value – Artemis will compare the risk-adjusted returns of a potential investment to the risk-adjusted returns of comparable real estate investment opportunities.

Each Fund's offering documents provide a more detailed disclosure of the potential risk factors associated with investing in such Fund.

GENERAL RISKS

Investing in securities and real estate related assets involves risk of loss that investors must be prepared to bear. In general, among other investments and risks described more fully in the respective Client's governing documents, the Client account investments entail the following risks:

No Assurance of Investment Return: The operating results of Client accounts, such as the Funds and the Separate Account Vehicles are dependent upon the availability of, as well as the ability of the adviser to identify, structure, consummate, leverage, manage and realize returns on investment opportunities. The availability of investment opportunities will be affected by conditions in the financial markets, the level and volatility of interest rates, the supply of capital for investment opportunities and the impact of legislation changing tax and accounting rules historically favorable to investments in real estate. There is no assurance that the Clients will be successful in identifying and consummating investments which satisfy its rate of return objectives or that such investments, once consummated, will perform as anticipated.

The Clients have limited operating history: The Clients have limited operating history upon which an investor can base an investment decision. Although the Firm's management team has significant experience in the real estate business, their respective track records cannot be relied upon to predict future events. The past performance of Artemis and the members of the management team is not a predictor of future results of the Clients.

Business Risk: The Clients focus their investments solely in direct and indirect real estate related investments. The real estate investment business is highly competitive with the Clients' success dependent on their ability to compete with other providers of capital for real estate investments (including other Clients and real estate investment trusts). There can be no assurance that the Clients will be able to identify and consummate investments that meet the Clients' return objective or that the Clients will be able to fully invest its available capital.

Risk of Strategic Partnerships: The Clients may make investments in partnerships, joint ventures and other entities, which subject the Clients to particular risks not present in direct investments. These include the possibility that a co-investor or partner of the Clients might suffer financial difficulties or become bankrupt, or may at any time have economic or business interests or goals which are inconsistent or contrary with those of the respective Clients.

Economic Risk: The Clients' real estate related investments may be exposed to weakness in the U.S. real estate markets and the overall state of the economy. The effects of ongoing credit market challenges, combined with the ongoing correction in real estate market prices, could result in further price reductions in real estate values, potentially adversely affecting the value of the Clients' investments. In addition, declining economic conditions may have an adverse impact on tenants' and potential tenants' businesses and their operating incomes, which in turn could impair such tenants' abilities to make their rental payments and meet other obligations with respect to their leases, resulting in increased vacancies, decreased demand for rental space and declining rental values with respect to such space.

General Real Estate Risk: Real estate investments are generally illiquid and some are highly illiquid. Such illiquidity may limit the Clients' ability to vary its portfolio of investments in response to changes in economic and other conditions, including the ability to dispose of investments in a timely manner or for a profit. Changes in the real estate market may adversely affect the value of the real estate which underlies mortgage loans or other investments in real estate and thereby lower the value to be derived from liquidation. Additionally, real estate investments may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; the ability of operating partners to successfully source and manage properties; the supply of available properties to acquire at attractive pricing in particular markets; competition from other investors pursuing the same or similar strategies; changes in interest rates and in the state of the debt and equity capital markets; ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; changes in governmental rules/regulations and fiscal policies which may result in adverse tax consequences or increases in the cost of borrowing and other factors that are beyond Artemis' control.

Real Estate-Related Operating Companies: The Clients may invest in real-estate related operating companies and companies and ancillary services businesses. Investments in such companies may subject the Client's investments to risks that differ in type or degree from those involved with direct investments in real estate. The performance and value of such investments depend upon many factors beyond the Artemis' control, including demand for the services provided by such operating companies and service businesses.

Due Diligence Processes: There can be no assurance that the Clients' due diligence processes will uncover all relevant facts that would be material to an investment decision. In making the assessment and otherwise conducting customary due diligence, Artemis will rely on the resources available to them and, in some cases, investigations by third parties.

Cybersecurity Risks: With the increased use of technologies such as the Internet to conduct business, Artemis, its Clients, its service providers, and the Client's investments are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and may arise from external or internal sources. Cyber attacks include, but are not limited to, gaining unauthorized access to digital systems, wire fraud, corrupting data, equipment or systems, or causing network services to be unavailable to intended users (i.e., "denial of service") or other operational disruption. Cyber incidents affecting Artemis, its Clients, its service providers and the Client's investments have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the release of investor information or confidential business information, interference with the ability to calculate the value of the Client's investments, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines or penalties, cash/capital loss, reputational damage or additional compliance costs. Artemis will seek to implement safeguards to protect its Clients against cyber attacks. However, there can be no assurance that Artemis will be successful in preventing the occurrence of cyber attacks or mitigating the impact of cyber attacks.

Public Health Emergencies; COVID-19 Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and the current outbreak of COVID-19 (as defined below), have and are resulting in market

volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Clients.

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

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

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to the Clients. The extent of the impact on the Clients and their investments and the operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of Clients to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment

strategy the Clients intend to pursue, all of which could adversely affect the Clients' ability to fulfill their investment objectives. They may also impair the ability of portfolio investments or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences, including the potential for defaults by borrowers under debt instruments held by a Client. In addition, the operations of the Clients, their portfolio investments, the General Partner and the Adviser be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Lack of Diversification: While the Clients' investment strategies are generally intended to be diversified by asset type, number of assets and geographic location, the investments made by the Clients could potentially be concentrated in one investment type or in relatively few investment types. As a result, the aggregate return on the Clients' investments may be adversely affected by the geographic concentration of the Clients' investments or the unfavorable performance of a particular investment type and will be at a greater risk to overall changes in the economy or interest rates than if the Clients were less concentrated in a particular investment type or location.

Borrowing: The Clients' failure to obtain leverage at the contemplated levels, or to obtain leverage on attractive terms, could have a material adverse effect on the Clients and their targeted rates of return.

Use of Leverage: The use of leverage will subject the Clients to risks normally associated with debt financing, including the risk that the Clients' cash flows will be insufficient to meet required payments of principal and interest, the risk that a decline in market value of an investment would increase the effective amount of leverage and trigger the violation of certain financial covenants resulting in a default under the loan, the risk that indebtedness on the investments will not be able to be refinanced or the risk that the terms of such refinancing will not be as favorable as the terms of the existing indebtedness. Moreover, if the Clients are unable to meet their debt obligations in general, there is a risk of loss of some or all of the Clients' investments through foreclosure or a financial loss if the Clients are required to liquidate assets, especially if liquidation is at a commercially inopportune time.

The Clients may incur indebtedness in which recourse is not limited to specific assets of the Clients and indebtedness which is collateralized by more than one of the Clients' assets, creating a situation where the Clients' investment in performing assets could be adversely impacted when those performing assets have been cross-collateralized with assets that become nonperforming.

The use of leverage by the Clients may create UBTI for tax-exempt investors.

Hedging Risk: The investments made by the Clients may be subject to fluctuations in interest rates which may not be adequately protected or protected at all, by the Clients' hedging strategies (if any). The Clients may employ various hedging strategies to limit the effects of changes in interest rates, including engaging in interest rate swaps, caps, floors and other interest rate derivative products. No strategy can completely insulate the Clients from the risks associated with interest rate changes.

Regulatory Risks: The real estate industry is extensively regulated and subject to frequent regulatory change. The adoption of new legislation, changes in existing laws, or new interpretations of existing laws can have a significant impact on the methods of doing business, costs of doing business and amounts of reimbursement from governmental agencies. The Clients rely on various exemptions from federal and state statutes and rules, such as the Investment Company Act and the Securities Act, to operate without having to register under such statutes and rules. Loss of any such exemption, or a change in these statutes and rules or certain others, could impact each Client's ability to continue to operate as it currently does. The Clients' exemption from certain investor protection laws means that the Clients' investors do not have the benefit of protections afforded by such laws, including the Investment Company Act and the Securities Act.

Tax Considerations: An investment in the Clients may involve complex U.S. federal, state and local income tax considerations that will differ for each investor. The investors will be required to take into account their allocable share of the Clients' items of income, gain, loss, deduction and credit, without regard to whether they have received or will receive any distributions from the Clients. Thus, an investor may be taxed on its distributive share of the taxable income of the Clients regardless of whether such investor receives any actual cash distributions from the Clients, and an investor's tax liability for any taxable year attributable to its investment in the Clients may exceed the cash distributed to such investor during the taxable year. The tax reform legislation formerly known as the Tax Cuts and Jobs Act (the "**TCJA**") created a 20% deduction for certain amounts earned through certain pass-through entities. The 20% deduction with respect to a partnership's pass-through income is generally subject to limits based on compensation and tax basis of capital assets. Prospective investors should consult with their own tax advisors regarding the application of these rules.

ERISA Considerations: Investors subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") should consult their own advisors as to the application of ERISA to an investment in the Clients.

Environmental Risk: Real estate is subject to certain environmental risks associated with environmental claims, environmental regulations and occupational safety issues and concerns.

Distressed Debt: The Clients may invest in non-performing assets and non-performing loans that are subject to a higher degree of financial risk, and there can be no assurance that the Clients' investment objectives will be realized or that there will be any return of capital to the Clients' investors. Investing in distressed assets and distressed debt may subject the Clients to becoming involved in litigation with third parties, including litigation where the Clients could be subject to allegations of lender liability, and to risks associated with bankruptcy. Investments in properties operating in workout modes or under bankruptcy protection laws may, in certain circumstances, be subject to additional potential liabilities that could exceed the value of an

investor's original investment. Under certain circumstances, payments to the Clients and distributions by the Clients to its investors may be reclaimed if any such payments or distributions are later determined to have been fraudulent conveyances or preferential payments under applicable law. Many of the events within a bankruptcy case are often beyond the control of the creditors. While creditors are generally afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions which may be contrary to the interests of the Clients. Furthermore, there are instances in which the Clients, as a creditor, could potentially lose its priority if it was found to have exercised "domination and control" of a debtor to the detriment of the debtor's business or the other creditors and equity holders. The potential for lengthy delays in bankruptcy cases could adversely impact the Clients' return on investment.

Debt Investments in General: The commercial mortgage and mezzanine loans the Clients may acquire or make are subject to delinquency, foreclosure and loss which could result in losses to the Clients. Subordinated loans such as junior participations in mortgages and mezzanine loans have a risk of credit loss that is significantly enhanced due to the subordinate nature of such investments. The value of the Clients' commercial mortgage loans will be influenced by the rate of delinquencies and defaults experienced on the commercial mortgage loans and by the severity of loss incurred as a result of such defaults. In turn, the rate of delinquencies and defaults and the severity of loss are subject to risk factors that include national, regional and local economic and real estate market conditions; the level and volatility of interest rates; the availability of capital and the appetite of lenders for refinancing; the term and structure of the mortgage loans; and the imposition of any limits to a lender's ability to enforce its remedies or its avenues to legal and financial recourse against the borrower and/or any guarantors by applicable laws or by the terms of the loan documents. In certain circumstances, the creditor may also incur environmental liability for conditions existing at the underlying property. Additionally, the Clients may acquire or make construction loans which are subject to risk of default or incompleteness of the underlying development project. In addition, the enforcement of remedies in the event of default or the incompleteness of the underlying development project, including the ability to foreclose on the collateral securing such construction loans or enforcing contractual completion guarantees, may be controlled by or to the benefit of more senior lenders, which may have a detrimental effect on the ability of the Client to receive its principal of such loans on a timely basis or in full, and accordingly, the value of such loans.

Equity Investments: The Clients have the ability to invest in publicly traded equity securities. Equity securities may be subject to greater fluctuations in market value than other asset classes as a result of such factors as a company's business performance, investor perceptions, stock market trends and general economic conditions. The rights of equity holders are subordinate to all other claims on a company's assets including debt holders. The value of equity securities could decline if the financial condition of the companies decline or if overall market and economic conditions deteriorate. Equity investments risk a loss of all or a substantial portion of the investment.

Senior Housing Facilities: The Clients may, subject to certain limitations, invest in senior housing or nursing home facilities which subject the Clients to particular risks. These risks include significant governmental regulation of the ownership, operation, maintenance and financing of health care institutions. The operations of nursing homes are subject to Medicare and Medicaid,

licensing and certification requirements of federal, state and local authorities (and periodic audits related thereto), fraud and abuse laws and regulations, and other legislative and regulatory developments (including as to reimbursement). In addition, transfers of operations of nursing homes and other healthcare-related facilities are subject to regulatory approvals not required for transfers of other types of commercial operations and other types of real estate-related assets. In addition, the operators of healthcare industry facilities are competing with numerous other companies providing similar healthcare services or alternatives such as home health agencies, life care at home, community-based service programs, retirement communities and convalescent centers.

Environmental, Social and Governance Matters: Artemis or one of its affiliates may from time to time consider environmental, social and corporate governance (or “**ESG**”) matters when making decisions for a Client and its investments. While Artemis (or its affiliates) expect that in many cases ESG objectives may align with the investment and financial objectives of a Client, ESG considerations will not be determinative when making investment decisions.

Valuation: The process of evaluating private equity investments can be highly subjective. Due to the nature of private equity investments, many of the portfolio companies invested in will not have Level I (unadjusted quoted prices) or Level II (direct or indirect observable inputs other than quoted prices, i.e. direct correlation) inputs available for valuation. As such Level III inputs will be used most often. Level III inputs are unobservable valuation data, allowing for situations in which there is little, if any, market activity for the asset at the measurement date. The Firm’s valuation procedures are based on industry accounting and other industry standards. When market values are not available at the measurement date, the Firm must use a fair-value methodology when measuring assets under management and cannot simply rely on cost basis. Artemis values securities and instruments at their fair value in accordance with the Financial Accounting Standard Board’s Accounting Standards Codification (“**ASC**”) Topic 820-10, “Fair Value Measurements.”

Securities based via fair value methodology are valued based on Artemis’ judgment and estimation in accordance with the valuation policies and procedures of Artemis. Valuation methods, inputs and the pricing of events (such as impairment, a sale, a recapitalization, or a public offering) that produce a realized or unrealized gain or loss that may be recognized are inherently subjective.

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 an evaluation of Artemis or the integrity of its management.

Artemis has no information applicable to this Item.

Item 10 Other Financial Industry Activities and Affiliations

Artemis is not, nor does Artemis have an application pending to register as, a broker-dealer.

Artemis is not, nor does Artemis have an application pending to register as, a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Artemis does not recommend or select other advisors for its Clients.

Artemis does not provide property management services and does not have any property management affiliates.

* * *

Great Falls provides accounting, information technology, database, administrative, specialized asset management and other general asset management, operational consulting, underwriting and/or other services to Artemis, the Funds, the Separate Account Vehicles, SMAs and other third parties, including emerging managers, at market or below market rates. Certain principals, owners, and employees of Great Falls currently serve and may continue to serve as principals or officers of Artemis. Certain employees of Great Falls are listed on the Artemis web site: artemisrep.com. Certain employees and owners of Great Falls may also have or be granted in the future carried interest related to the performance of certain Funds or Separate Account Vehicles. Great Falls shares or may share office space with Artemis in Chevy Chase, MD, Atlanta, Georgia and New York, NY and Great Falls employees maintain Artemis email addresses and business cards. The fees charged by Great Falls to Artemis and to the Funds, Separate Account Vehicles and SMAs are determined based on the overhead of Great Falls, including the salaries and benefits of Great Falls employees, and are not intended to provide a material profit to Great Falls, while providing market or below market rates to Artemis, the Funds, Separate Account Vehicles and SMAs relative to the cost of comparable third party services. The salaries earned by the owners and employees of Great Falls are approved by Artemis in connection with market pricing for similar services and in consultation with such owners and employees. Great Falls separately bills Artemis, the Funds, Separate Account Vehicles and SMAs on an hourly basis based on the actual time spent on Artemis, the Fund, Separate Account Vehicle or SMA matters, as applicable. Fees paid to Great Falls are not shared with Artemis or the applicable Funds, Separate Account Vehicles or SMAs for which such services are provided, and neither fees nor cost reimbursements paid to Great Falls offset management fees paid to Artemis by the Funds, Separate Account Vehicles or SMAs. While Great Falls does not earn a material profit at the current time, it may determine to pursue greater profitability in the future, either by providing services to other clients, including emerging managers, or by setting fees that would allow it to earn a profit.

Certain conflicts of interest could arise in respect of the Great Falls relationship. Among other things, given the relationship of Artemis with Great Falls owners and employees, Artemis may be incentivized to engage Great Falls to represent the interests of the Funds, Separate Account Vehicles or SMAs where the engagement of another independent firm by the applicable Fund, Separate Account Vehicle or SMA would be appropriate or conventional. Artemis is strongly focused on the mitigating conflicts in respect of Great Falls and has established procedures to

identify, evaluate and mitigate potential conflicts arising in connection with the Great Falls relationship. Additionally, certain cost benefits of using Great Falls versus other third party service providers has been presented to the Artemis Funds' advisory committees and to Artemis' Separate Account Vehicle investors, as well as SMA institutional investors. The prior written consent of the respective Fund advisory committees, Separate Account Vehicle investors or SMA institutional investors is not required to engage Great Falls to provide services regardless of any affiliation between Great Falls and Artemis, provided that the fees or other amounts earned in respect of such services are not less favorable to the relevant Fund, Separate Account Vehicle or SMA than those generally available from experienced and unaffiliated parties.

The establishment of CRE was supported by Artemis to provide legal services to Artemis, the Funds, Separate Account Vehicles and SMAs at market or below market rates. Certain principals, owners, and employees of CRE currently serve and may continue to serve as principals or officers of Artemis. Certain employees and owners of CRE are listed on the Artemis web site: artemisrep.com. Certain employees and owners of CRE may also have or be granted in the future carried interest related to the performance of certain Funds or Separate Account Vehicles. CRE shares office space with Artemis in Chevy Chase, MD, and CRE employees maintain Artemis email addresses and business cards. The fees charged by CRE to Artemis and to the Funds, Separate Account Vehicles and SMAs are determined based on the overhead of CRE, including the salaries and benefits of CRE employees, and are not intended to provide a material profit to CRE, while providing market or below market rates to Artemis, the Funds, Separate Account Vehicles and SMAs relative to the cost of comparable legal services. The salaries earned by the owners and employees of CRE are approved by Artemis in connection with market pricing for similar services and in consultation with such owners and employees. CRE separately bills Artemis, the Funds, Separate Account Vehicles and SMAs on an hourly basis based on the actual time spent on Artemis, Fund, Separate Account Vehicles or SMA matters, as applicable. Fees paid to CRE are not shared with Artemis or the applicable Funds, Separate Account Vehicles or SMAs for which such services are provided, and neither fees nor cost reimbursements paid to CRE offset management fees paid to Artemis by the Funds, Separate Account Vehicles or the SMAs. While CRE does not earn a material profit at the current time, it may determine to pursue greater profitability in the future, either by providing services to other clients, including emerging managers, or by setting fees that would allow it to earn a profit.

Certain conflicts of interest could arise in respect of the CRE relationship. Among other things, given the relationship of Artemis with CRE employees and owners, Artemis may be incentivized to engage CRE to represent the interests of the Funds, Separate Account Vehicles or SMAs where the engagement of another independent firm by the applicable Fund, Separate Account Vehicle or SMA would be appropriate or conventional. Artemis is strongly focused on the mitigating conflicts in respect of CRE and has established procedures to identify, evaluate and mitigate potential conflicts arising in connection with the CRE relationship.

Artemis (including its affiliates and employees) and/or its principals from time to time make equity or other investments in companies or businesses that provide services to or otherwise contract with Artemis or its Clients and/or the real estate assets owned by the Clients. In particular, Artemis, principals and their respective affiliates have in the past entered into, and expect to continue to enter into, relationships with companies in the technology, real estate services and other sectors and industries, whereby Artemis, the principals or certain affiliates acquire an equity

or other interest in such companies that may, in turn, transact with Artemis, its Clients and/or real estate investments held by the Client. Artemis and/or its principals may refer, introduce or otherwise facilitate transactions between such companies and the Clients and or Clients' real estate investments. While such transactions or arrangements will be consistent with the requirements of the applicable governing documents of each Client, they may result in benefits to Artemis, the principals or their affiliates, including financial incentives, which may be significant. Such financial incentives that inure to or benefit Artemis, the principals or their affiliates create an incentive for Artemis to cause its Clients and/or the Clients' real estate investments to enter into such transactions that may or may not have otherwise been entered into. While such transactions have the potential for inherent conflicts of interest, Artemis has adopted conflict mitigation strategies and procedures, including the requirement to articulate a strong business need for the services prior to any engagement by a Client or a Client's real estate investment, recusal, compliance with an internal procurement process, and disclosure or other appropriate conflict mitigation steps, in consultation with legal counsel and the Chief Compliance Officer. Artemis is focused on ensuring all third party service providers for the Funds, Separate Account Vehicles and SMAs are highly qualified and engaged at appropriate prices for the Funds, Separate Account Vehicles and SMAs regardless of ownership or affiliation and will conduct a review and market check prior to the engagement of any firm in which Artemis or any its principal may hold an interest to ensure that such engagement is appropriate and consistent with the Artemis' fiduciary duties.

The investment activities conducted by Artemis or its affiliates on behalf of any of its Clients may be directly or indirectly competitive with the interests of other Clients, and conflicts may arise in determining whether an investment opportunity will be offered to any Client (including any individual Fund or Separate Account Vehicle). While Artemis' desire is not to have Clients (particularly Funds) making investments that have overlapping investment strategies, in certain cases, Artemis does, and expects to continue to, advise Clients investing concurrently and possibly with overlapping strategies. For example, Fund III, the Healthcare Funds, the I&G Funds and the Separate Account Vehicles invest concurrently. In addition, in limited circumstances, certain investment opportunities identified by Artemis may exhibit characteristics partially consistent with more than one such Fund or Separate Account Vehicle investing concurrently. In such event, to ensure that investments are appropriately allocated in a manner consistent with the investment strategy (including risk and return profile and contractual obligations) of an applicable Fund or Separate Account Vehicle, Artemis will maintain a written allocation protocol setting forth pre-determined criteria and allocate investment opportunities in a fair and equitable manner based on such written protocols. Furthermore, Artemis has adopted procedures, as disclosed to the SMA, to recuse itself for the purpose of advising the SMA solely with respect to a particular investment opportunity in the event that the SMA pursues such investment opportunity which is or is expected to be pursued by a Fund and/or Separate Account Vehicle. Artemis is fully committed to allocating investment opportunities among Clients in a manner that is fair and equitable.

Artemis or its affiliates may present opportunities to co-invest in investments alongside a Fund to certain Fund investors or one or more third parties. Artemis and/or affiliates may earn fees and carried interest with respect to co-investment capital raised to invest alongside the applicable Fund. Although such co-investments would generally provide for co-investors to make investments in underlying assets on substantially the same terms as are available to the relevant Fund, potential conflicts may be inherent in, or arise from, Artemis (or its affiliates) discretion in

determining when to make such opportunities available, which potential co-investors are offered such opportunities and the economic and other terms of such co-investments. In addition, once such co-investments are made, the interests of the relevant Fund and the interests of co-investors may subsequently diverge, and the economic terms (including carried interest terms) associated with the Fund and/or the co-investors may create conflicts in ongoing management and operation of certain investments.

Artemis has accepted a minority investment from the Minority Investor. The Minority Investor's stake is passive, and the Minority Investor does not have any authority over the day-to-day operations or investment decisions of the Adviser or any Client, but has certain minority rights in respect of Artemis and its advisory affiliates, including Artemis Clients in limited cases in respect of actions unrelated to their investment activities. The Minority Investor is entitled to certain customary information rights, including preferential information rights in respect of the performance of Clients. As previously disclosed, the Minority Investor's interest entitles the Minority Investor to participate in the net fee income and carried interest from certain Clients managed or advised by Artemis. The Minority Investor may potentially become a limited partner in certain Clients and/or co-invest in certain investments made by the Funds. Additionally, certain sponsor or general partner investment capital made in Artemis Clients will be provided by the Minority Investor. The Minority Investor has relationships with other advisers and investment vehicles that give rise to potential conflicts, including sponsoring or investing in firms or vehicles that pursue investment strategies similar to those of a Client and ultimately compete with a Client for investment opportunities. The Minority Investor may also have relationships in the ordinary course with current or prospective portfolio investments, including providing services and/or financing to current or prospective portfolio investments. Although it intends to maintain operations, strategy and investment decisions separate from the Minority Investor, Artemis generally may have incentives to conduct operations in a manner that benefits the Minority Investor.

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

Artemis has adopted a Compliance Manual that addresses its particular business and compliance obligations under the Advisers Act. The Compliance Manual includes a Code of Ethics which generally sets the standard of ethical and professional business conduct that Artemis requires of its employees, requires employees to comply with applicable federal securities laws and regulations, and sets forth provisions regarding personal securities transactions by employees. Additionally, the Code of Ethics sets forth Artemis' policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary obligations that Artemis and each of its employees owes to each advisory client. Clients or prospective Clients may obtain a copy of Artemis' Code of Ethics by contacting the Chief Compliance Officer, Jim Hurley at 240-235-2024 or at jim.hurley@artemisrep.com.

As a general matter, Artemis or its related persons may be invested in the Funds or Separate Account Vehicles directly or indirectly through an affiliate and accordingly would have an economic interest that is the same or similar to the interest of other investors in the Funds and Separate Account Vehicles. Artemis or its related persons may also engage in securities transactions in which Fund or Separate Account Vehicle Clients are invested, or recommend investments in or the use of portfolio companies in which Artemis or a related person has a beneficial or financial interest. Artemis will disclose the foregoing potential conflicts of interest to investors in the offering documents of the applicable Fund and agreements with Separate Account Vehicle Clients or, where applicable, obtain relevant consents from the Fund's Advisory Committee or Separate Account Vehicle investors. Investments in the Funds and Separate Account Vehicles made by Artemis related persons and personnel directly or through the applicable affiliate may not be subject to the management fee (or be subject to a reduced management fee) or incentive-based distributions described in Item 5 above.

Artemis and its related persons and entities may not purchase or sell any securities that they know will be, or currently are being, purchased or sold for the account of any advisory Client of Artemis, until after such time as all of Artemis' advisory Clients have completed such purchases or sales. In order to manage this conflict of interest, Artemis maintains a restricted list containing the names of securities which employees are generally prohibited from trading, and its Code of Ethics requires employees to obtain prior written approval from Artemis' Chief Compliance Officer (CCO) before engaging in any transactions in his/her personal account that involve the direct or indirect purchase or sale of any security that may be purchased or sold for a Fund, Separate Account Vehicle or SMA. In addition, in order to manage conflict of interests in respect of investments that may be appropriate for the Funds, Separate Account Vehicles or SMAs, Artemis' Code of Ethics requires employees to obtain prior written approval from Artemis' CCO before engaging in any transactions for his/her personal account that involve the direct or indirect purchase or sale of any privately offered security. Such employee transactions will be reviewed in the best interests of the applicable Fund, Separate Account Vehicle or SMA and will be denied by the CCO if there is risk of potential adverse consequences to any Client.

As required by Rule 204A-1 of the Advisers Act, Artemis requires its Access Persons to report all of their securities transactions, as applicable, on at least a quarterly basis and disclose their securities holdings upon employment and on an annual basis thereafter. Artemis also restricts

the personal trading of its Access Persons with respect to certain investments. Artemis also maintains policies and procedures that are designed to prevent the misuse of material, non-public information and thus prevent insider trading. All Artemis personnel (including those not designated as “*Access Persons*”) are required to certify on an annual basis their compliance with such policies and procedures as well as the Code of Ethics.

The Firm’s personnel may work on other projects, including outside business affiliations, which could give rise to potential conflicts of interest with respect to time allocated to the Fund, Separate Account Vehicles, SMAs or to any particular Client. For example, Ms. Harmon previously served on the Board of Directors of Forest City Enterprises, Inc. and may now serve or serve in the future on similar Boards of Directors. Additionally, as described above, the Firm may provide investment management services to other Clients, including other pooled investment vehicles or special purpose vehicles. The Firm’s Compliance Manual and the Funds’ governing documents contain guidelines for obtaining pre approval in respect of outside business activities, as well as monitoring and addressing any potential conflict of interest that may arise as a result of outside business activities. The Funds’ governing documents also contain key person provisions tied to Artemis principals’ devotion of time to the Funds or Artemis. Depending on the facts and circumstances of a particular investment, the respective governing documents of the Funds may set forth restrictions of particular conflicts.

Artemis or its affiliates will generally also receive distributions of the profits from each Fund and certain Separate Account Vehicles as its carried interest only after the investors in such Fund or Separate Account have achieved a 100% return on their aggregate capital contributions, plus a specified preferred return. The existence of the carried interest presents a potential conflict of interest in that it may create an incentive for Artemis or its affiliates to make more speculative investments on behalf of such Fund or Separate Account than such Fund or Separate Account would otherwise make in the absence of the carried interest. However, this risk should be substantially mitigated because in general, Artemis and its affiliates are making investments of their own capital in or alongside each Fund or Separate Account, without loans, along with the other investors and distributions of carried interest to the general partner are “back-ended.”

Item 12 Brokerage Practices

Artemis's principal focus is private equity real estate investments. However, the Firm may from time to time on behalf of Clients purchase or sell publicly-traded securities through a broker and will, in those circumstances, seek "best execution" in light of the circumstances involved in transactions. In selecting a broker for any transactions, Artemis may consider a number of factors, including, for example, net price, reputation, financial strength and stability, efficiency of execution and error resolution, the size of the transaction and the market for the security. Artemis will not obligate itself to obtain the lowest commission or best net price for its Clients on any particular transaction.

The Firm, as a matter of policy, does not effect soft dollar transactions and does not enter into soft dollar arrangements in respect of transactions for any of its Clients. If the Firm determines to use soft dollars in the future, such transactions will be made in a manner that satisfies the requirements of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

The Firm does not take Client referrals for broker-dealers or participate in directed brokerage arrangement with Clients.

As Artemis deals primarily with private equity real estate investments, Artemis will generally not be able to aggregate securities transactions for Clients. However, where available and appropriate, Artemis may aggregate purchases or sales of any security effected for a Client's account with purchases or sales of the same security effected on the same day for other Client accounts. When transactions are aggregated, the actual prices applicable to the aggregated transaction will be averaged, and all participating accounts will be deemed to have purchased or sold its share of the security, instrument or obligation involved at such average price. Further, all transaction costs incurred in effecting the aggregated transaction will be shared on a pro rata basis among all participating accounts, except to the extent that certain broker-dealers that also furnish custody services may impose minimum transaction charges applicable to some of the participating accounts.

Item 13 Review of Accounts

The investments of each of the Funds, the Separate Account Vehicles and SMAs are regularly reviewed by a team of investment professionals. The team generally includes principal executive officers of Artemis and other investment professionals. These professionals monitor operations, overall performance, financial performance, and strategic direction of each investment owned by each of the Funds, Separate Account Vehicles and SMAs. Matters such as the status of outstanding investments, valuation and economic and financial trends and conditions affecting investments generally may trigger discretionary or other-than-periodic reviews of Fund, Separate Account Vehicle and SMA investments. Other specific parameters (if any) relating to the oversight and monitoring of the portfolio investments of the Funds, Separate Account Vehicles and SMAs may be set forth in the related offering document or advisory agreement, as applicable.

Generally, investors in the Funds, Separate Account Vehicles or the SMA will receive written quarterly unaudited reports of performance and account balances from the Firm and annual audited financial statements. Artemis, in its discretion, may provide more frequent reports and/or more detailed information to all or any of the investors in the Funds and the Separate Account Vehicles. In certain instances, the SMA institutional investors may receive performance reports solely from the operating partner of the joint venture in which such SMA is invested in.

Item 14 **Client Referrals and Other Compensation**

Artemis does not receive economic benefits from a non-client for providing investment advice or other advisory services to their clients.

Artemis does not currently have advisory clients other than the Funds, the Separate Account Vehicles and the SMAs. Except as provided herein, neither Artemis nor its related persons compensates any third party for advisory client referrals.

HC Fund I and Artemis have entered into a placement agent agreement with a licensed placement agent (the “**Placement Agent**”) pursuant to which the Placement Agent acted as a placement agent in the offering of HC Fund I to certain high net worth investors. Under this agreement, Placement Agent may receive from HC Fund I an annual servicing fee and a one-time upfront placement fee for each investor that was referred to HC Fund I. The servicing fee is calculated in the same manner and at the same time as the management fee with respect to such investor and is in addition to the management fee. The upfront placement agent fee is calculated based on the capital commitment of such investor and is paid by HC Fund I directly to Placement Agent, but offsets the management fee that would otherwise be paid to Artemis with respect to such investor. In addition, an investor referred to HC Fund I by Placement Agent may pay an additional placement fee directly to Placement Agent. Furthermore, Artemis may have ongoing obligations due to the Placement Agent after the final close of HC Fund I. An investor referred to HC Fund I by Placement Agent will be informed of any such arrangement in compliance with applicable law and regulation. Investors in HC Fund I who are not referred by Placement Agent will not bear any such fees.

Artemis has entered into a placement agent agreement with Park Madison Partners, LLC (“**Park Madison**”), a nationally recognized third-party marketing firm and an SEC registered broker-dealer, as a placement agent for each of AREP HC Fund II and I&G Sidecar. Pursuant to a written agreement between Artemis and Park Madison, Park Madison will be paid a monthly retainer and earn fees based on the aggregate capital commitments to the applicable Fund, plus reimbursed expenses. Although Park Madison fees may be paid from the assets of the relevant Fund, such payments offset investor management fees on a dollar-for-dollar basis and thus are effectively borne by Artemis, and not the investors. Certain obligations under the agreement primarily with respect to successor funds will survive termination of the agreement, which will generally be upon the final closing date of the relevant Fund, unless terminated earlier under certain terms.

Item 15 Custody

Pursuant to Rule 206(4)-2 (the “**Custody Rule**”) Artemis and/or its affiliate(s) are deemed to have custody of Client assets by virtue of their status as the manager or general partner of the limited liability companies, limited partnerships and other special purpose investment vehicles advised by Artemis, provided, however, that generally Artemis will not have custody of the SMAs’ assets.

In accordance with the custody requirements under Rule 206(4)-2 of the Advisers Act, Artemis, as an adviser, is not required to comply with the account statement delivery obligation or the qualified custodian notification requirement under the Custody Rule with respect to any account of an investment vehicle (i.e., a limited partnership, limited liability company or some other type of pooled investment vehicle), provided that the applicable vehicle:

- (i) is subject to an annual audit; and
- (ii) distributes its audited financial statements for each Fund, prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles (“**GAAP**”), within 120 days of the end of the Funds’ respective fiscal years (i.e., generally by April 30).

Item 16 Investment Discretion

Subject to any investment restrictions set forth in the Funds' governing documents and any side letter agreements and the non-discretionary structure applicable to certain Funds, Artemis has discretionary authority to make the investment determinations without obtaining the consent of any investor of the applicable Fund before the transactions are effected.

Artemis' discretionary authority is derived from its authority as the investment manager of each of the Funds and its authority pursuant to an investment management agreement entered into by Artemis and each of the Funds, provided, however in certain instances Artemis does not retain discretionary authority with respect to certain Funds.

Artemis generally provides Separate Account Vehicles investment management services on a non-discretionary basis or as otherwise required by the applicable Separate Account Vehicle documents.

Artemis also provides investment advisory services directly to institutional investors on a non-discretionary basis pursuant to an investment advisory agreement entered into with the applicable SMA institutional investor.

Item 17 Voting Client Securities

While ordinarily the Funds, Separate Account Vehicles and SMAs do not hold securities for which proxy voting is required, in limited situations, Artemis may receive a proxy or corporate action from one of the Clients' investments. In such instances (except to the extent that a client otherwise instructs in writing), Artemis will vote such proxy on such corporate action. Artemis generally will vote in a way that it believes is consistent with the best financial interests of each of the applicable Clients. Artemis has adopted proxy policies and procedures that it believes are reasonably designed to comply with the requirements of Rule 206(4)-6 of the Advisers Act. Investors in each Client may contact Artemis to obtain, free of charge, a copy of the proxy voting policy and/or information with respect to specific proxy votes. To receive such information contact the Firm's Chief Compliance Officer, please contact Jim Hurley at (240)-235-2024 or by email at Jim.Hurley@artemisrep.com.

Item 18 Financial Information

Artemis is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients.