

**INVESTMENT ADVISER BROCHURE  
PART 2A OF FORM ADV**



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**Effective Date: November 19, 2021**

**This Investment Adviser Brochure (this “*Brochure*”) provides information about the qualifications and business practices of Xebec Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (469) 687-3184 or [investorrelations@xebecrealty.com](mailto:investorrelations@xebecrealty.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

Xebec Asset Management, LLC is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “*Advisers Act*”). However, such registration does not imply a certain level of skill or training. All recipients are encouraged to read this Brochure carefully in its entirety.

Additional information regarding Xebec Asset Management, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

***ITEM 2***      **MATERIAL CHANGES**

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This Brochure serves as an amendment to the annual update Brochure for Xebec Asset Management, LLC, dated as of March 31, 2021, and reflects the addition of SLR Manager, LLC as an Adviser Affiliate (as defined below in Item 4 “*Advisory Business*”).

In connection with the periodic update of this Brochure, we routinely make changes in an effort to improve and clarify the descriptions of our business practices and compliance policies and procedures or in response to evolving industry and firm practices.

We encourage all recipients to read this Brochure carefully in its entirety.

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***Fund Managers***

Xebec Asset Management, LLC (“***Xebec Asset Management***”) is a Delaware limited liability company that commenced operations in June 2017, and registered as an investment Adviser with the SEC in January 2020. Xebec Asset Management and its Adviser Affiliates (as defined below) each provide investment advisory services to their respective private fund clients (each a “***Fund***” and collectively, the “***Funds***”). References in this Brochure to a “Fund” or the “Funds” are not to any specific Fund, but include any of the Funds advised by the Advisers (as defined below), except as expressly stated or the context otherwise requires. Certain references to a “Fund” may include a joint venture through which the Fund makes certain investments, as applicable.

The affiliates of Xebec Asset Management also providing investment advisory services are listed below (the “***Adviser Affiliates***”).

- Xebec Logistics Trust GP, LLC
- Xebec RAE, LLC
- Xebec UPMM, LLC
- SLR Manager, LLC

Each of Xebec Asset Management and the Adviser Affiliates is referred to in this Brochure as an “***Adviser***,” and collectively as the “***Advisers***.”

Xebec Asset Management, LLC, Xebec Logistics Trust GP, LLC, Xebec RAE, LLC, and Xebec UPMM, LLC are Advisers (the “***Xebec Advisers***”) that are wholly owned subsidiaries of Xebec Holdings, LLC (“***Xebec Holdings***” and together with its affiliates (other than SLR, as defined below), and Xebec Advisers, “***Xebec***”). SLR Manager, LLC is an Adviser (“***SLR***”) and an affiliate of Xebec Holdings. Xebec and SLR are each principally beneficially owned or controlled by Mr. Randall R. Kendrick (“Mr. Kendrick”).

Each of the Advisers is registered under the Advisers Act pursuant to Xebec Asset Management’s registration as an investment adviser, in accordance with SEC guidance. The Advisers’ investment advisory services to the Funds include sourcing, evaluating, negotiating, overseeing, managing and disposing of investments in real estate and real estate-related assets. The Advisers’ investment advisory services to the Funds are tailored in accordance with each Fund’s specific investment strategy as set forth in the applicable Fund’s private placement memorandum (or other applicable disclosure documents), partnership agreement or limited liability company agreement (or similar governing document) and/or investment management agreement (each, a “***Governing Document***” and collectively, the “***Governing Documents***”). The Advisers’ advisory services are further described below under Item 8 “***Methods of Analysis, Investment Strategies and Risk of Loss***.”

***Funds***

The Funds under the Advisers’ management include private, limited- and perpetual-life, open- and closed-ended funds, typically investing directly, or indirectly through joint ventures with joint venture partners (which may be institutional joint venture partners and/or other Funds) in

portfolios of industrial real estate assets and pooled venture vehicles (multi-asset Funds), as well as single-asset Funds (including joint ventures). All of the Funds managed by Xebec Advisers are sponsored by Xebec Holdings or one of its affiliates, and the Fund managed by the SLR Adviser is sponsored by Sandow Lakes Ranch SAV, LLC, which is beneficially wholly owned by Mr. Kendrick (in such capacity, each a “**Sponsor**”), and the Advisers do not manage any other funds.

*Multi-Asset Funds.* The portfolios of the multi-asset Funds typically are comprised of (i) pools of stabilized “core” assets (cash-flowing industrial assets with credit quality tenants on long-term leases) and “core plus” assets (similar assets with an opportunity to increase net operating income) (“**Stabilized Assets**”), (ii) ground up development, redevelopment or renovation projects (“**Development Assets**”), or (iii) a combination of both Stabilized Assets and Development Assets, in all cases either directly or indirectly through one or more joint ventures.

*Pooled Venture Vehicles.* The portfolios of pooled venture vehicles typically are comprised of (i) investments in Development Assets through two or more single-asset development entities, either directly or indirectly through one or more joint ventures or (ii) pools of Stabilized Assets, either directly or indirectly through one or more joint ventures.

*Single-Asset Funds.* Single-asset Funds typically invest in a single Development Asset, generally either directly or indirectly through a joint venture.

*Sponsor Co-investment Funds.* The portfolios of sponsor co-investment funds typically are comprised of investments in Development Assets through one or more single-asset development entities, indirectly through a joint venture *pari passu* with the contributed capital invested by the Sponsor, which in turn is invested by the Sponsor in a joint venture with an institutional joint venture partner or another Fund. Sponsor Co-investment Funds typically provide, together with the Sponsor, no more than 10% of the capital required for the joint venture, with the institutional joint venture partner providing 90% or more of the required capital. In the case of the SLR Fund I (as defined below), it provided, together with the Sponsor, approximately 33.33% of the capital required for the joint venture, with the institutional joint venture partner providing approximately 66.67% of the required capital.

*Blind-Pool Funds.* The asset(s) making up a Fund’s portfolio, such as single- or limited-asset Funds, are typically identified by the Advisers at the time the Fund is formed, and disclosure of the identified asset(s) is included in the Fund’s offering materials. Other Funds, referred to as “blind-pool” funds do not have existing assets at the time investors’ capital is committed to the Fund, or provide the Advisers with complete discretion over the composition of the properties in the Fund’s portfolio within the overall stated investment strategy of the Fund, which in the case of a perpetual-life Fund could result in a complete turn-over in the composition of the portfolio during the life of the Fund.

As of the date of this Brochure, the Funds include (in alphabetical order):

- 15191 Sylmar QOF, LLC (“**Sylmar QOF**”), a private, limited-life, closed-ended Fund directly investing in a single Development Asset (a single-asset Fund).
- Logistix Hub Coinvestment Holdings, LLC (“**Logistix Hub Coinvest**”), a private, limited-life, closed-ended Fund directly investing in a single Development Asset (a single-asset Fund).

- London Groveport XO Co-Investment Fund, LLC (“**London Groveport**”), a private, limited-life, closed-ended Fund indirectly investing in multiple Development Assets through a single multi-asset joint venture with an institutional joint venture partner (a multi-asset Sponsor Co-investment Fund).
- Sandow Lakes Ranch Fund I, LLC (“**SLR Fund I**”), a private, closed-ended Fund indirectly investing in a combination of Stabilized Assets and Development Assets through a single multi-asset joint venture with an institutional joint venture partner (a multi-asset Sponsor Co-Investment Fund). Please refer to Item 11 “*Relationship with Institutional Capital Partners*” for additional information regarding joint venture arrangements.
- Xebec Logistics Trust, LP (“**XLT**”), a private, perpetual-life, open-ended real estate investment fund investing primarily in a diversified pool of Stabilized Assets, with the ability to invest in Development Assets with a specified percentage of XLT’s then-current net asset value, which may be waived or modified from time to time with the consent of the majority of XLT’s limited partners (a multi-asset, blind-pool Fund). XLT makes certain investments directly and certain investments through XLT Core Venture IB, LLC I (the “**XLT JV**”), a private, perpetual-life, open-ended real estate investment joint venture investing primarily in a diversified pool of Stabilized Assets. Please refer to Item 11 “*Relationship with Institutional Capital Partners*” for additional information regarding joint venture arrangements.
- Xebec Opportunity Fund I, LLC (“**XOF**”), a private, limited-life, closed-ended Fund indirectly investing in multiple Development Assets through a single multi-asset joint venture with an institutional joint venture partner (a multi-asset, blind-pool Sponsor Co-investment Fund).

Fund investors typically participate in the overall investment program for the applicable Fund. The Advisers have from time to time excused or excluded, and may in the future may excuse or exclude, investors from participating in a particular investment within a Fund attributable to legal, regulatory or other applicable constraints.

Additionally, from time to time, the Advisers may in the future agree to provide certain investors or other persons the opportunity to participate in co-invest vehicles (each, a “**Co-Invest Vehicle**” and collectively, the “**Co-Invest Vehicles**”) that will invest in certain investments alongside a Fund. Unless otherwise noted, references throughout this Brochure to the Funds are generally intended to include the Co-Invest Vehicle(s).

A Fund and the Advisers have entered, and may in the future enter, into side letters or other agreements with certain investors that have the effect of establishing rights under, supplementing or altering a Fund’s Governing Documents or an investor’s subscription agreement. Such rights or alterations could be with respect to economic terms, fee structures, excuse rights, information rights, co-investment rights (including the provision of priority allocation rights to investors who have capital commitments in excess of certain thresholds to one or more Funds), governance rights, transfer rights or other matters. Generally, any rights established, or any terms altered or supplemented will govern only the investment of the specific investor and not the terms of a Fund as whole. Certain such additional rights, but not all rights, terms or conditions, may be elected by

investors that have committed substantial capital and have “most favored nations” rights pursuant to a Fund’s Governing Documents, side letter or similar agreement. To the extent required by applicable law or otherwise agreed by a Fund and the Advisers the material terms of certain side letters may be disclosed to certain investors on a redacted basis without disclosing such terms to all investors. Investors generally will not otherwise receive disclosure of side letter agreements.

***The information provided above about the investment advisory services provided by the Advisers is qualified in its entirety by reference to the specific Fund’s offering materials, subscription agreements and other Governing Documents.***

As of November 19, 2021, the Advisers managed client assets of approximately \$328,891,926 on a discretionary basis. The Advisers do not currently manage any client assets on a non-discretionary basis.

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

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Following is a description of the types of fees and compensation that the Advisers may receive in connection with the management of a Fund. Generally, the fee structures are based on the type of Fund, such as whether the Fund is multi-asset or single-asset, open-ended or closed-ended, a pooled venture vehicle, or a Co-Invest Vehicle. Fee structures and compensation may also vary among similar Funds, based on market rates at the time that a Fund is formed and seeking commitments of capital from investors. In general, an Adviser typically receives management fees, administrative fees and/or performance-based incentive fees, participations or allocations in connection with providing investment advisory services. Fund investors also bear certain Fund expenses as well as reimbursement of certain expenses incurred by the Advisers, as further described below. Specific details of management fees, administrative fees, performance-based incentive fees, participations or allocations, fund expenses and fee waivers, as applicable, to a Fund are more fully described in the respective Fund’s Governing Documents.

### ***Management Fees***

Investors in open-ended Funds, whether a perpetual- or limited-life fund, typically are charged or will otherwise bear a recurring management fee. Investors in closed-end Funds may be charged or otherwise bear a recurring management fee, or in the case of limited-life Funds with expected investment periods of not more than three years, in lieu of a recurring management fee may be charged or otherwise bear a one-time administrative fee in connection with the formation of the Fund, as are further described below under this Item 5 “*Administrative Fees.*”

Generally, investors in a Fund managed by a Xebec Adviser that is charged a management fee, typically will be charged the management fee quarterly in advance as set forth in the Fund’s Governing Documents until the earlier of the date the investor withdraws from the Fund (or the investor’s investment is fully redeemed), or the date the Fund is terminated, depending on the whether the Fund is open-ended or closed-ended, and whether the applicable Fund Governing Document permits withdrawals or redemptions prior to termination of the Fund. Installments of the management fee payable for any period other than a full quarter generally are prorated according to the actual number of days an investor’s capital was invested during the applicable period, as is any return of the allocable management fee paid in advance by an investor on the capital withdrawn or redeemed prior to the end of a quarter. The management fee applicable to a particular investor typically will be based on either the gross asset value or net equity of the Fund,

each as allocable to the specific investor (which whether determined gross or net are referred to in this Brochure as “**Assets Under Management**”). Management fees for an open-ended Fund typically are also tiered based on the amount of an investor’s Assets Under Management. Generally, as permitted under the applicable Governing Document(s), an Adviser may reduce or waive the management fee with respect to an investor, in its sole discretion.

Investors in the SLR Fund I will be charged a management fee based on an investor’s called capital, not to exceed 2% annually. The management fee will be withheld from distributions and/or accrued until paid.

### ***Administrative Fees***

In addition to the fees discussed above, both open- and closed-ended Funds may also charge investors a one-time administrative fee in connection with the formation or commitment of capital to a Fund, typically at a rate of up to 2.0% of the equity capital committed for closed-ended limited-life funds, with typically a lower rate for open-ended perpetual-life Funds. The administrative fee, if applicable, is typically collected at the time capital is contributed to the specific Fund.

### ***Performance-Based Incentive Fees, Participations and Allocations***

In general, investors in Funds that are managed by the Advisers (other than the XLT JV) are charged a performance-based incentive fee, participation or allocation (each a “**Performance-Based Fee**”), typically depending on whether the Fund is open-ended or closed-ended, and whether the Fund is a perpetual-life or limited-life Fund.

***Open-Ended and Perpetual-Life Funds.*** In addition to quarterly asset management fees, investors in open-ended and perpetual-life Funds (other than the XLT JV) are typically charged an incentive fee or equity allocation based on the annualized total gross return on investor equity, determined over a specified investment period, in excess of a stated minimum gross total return, or “hurdle rate.” At the option of the Adviser, the incentive fee may be paid in cash, or may be paid as a performance-based incentive allocation of equity in the applicable Fund. As permitted under the applicable Governing Documents, the Adviser may reduce or waive the Performance-Based Fee with respect to an investor, in its sole discretion.

***Closed-Ended and Limited-Life Funds.*** In general, closed-ended and limited-life Funds are typically structured to provide the Adviser with a participation in cash available for distribution, also referred to as a “**Profits Interest**” or a “**Promote**,” after the return of invested capital and a specified preferred rate of return on invested capital (“**Cash Available for Distribution**”). The percentage of the Profits Interest or the Promote will vary depending on the type of assets in the Fund. Generally, Funds targeting opportunistic returns typically will be structured to provide the Adviser a Profits Interest or Promote of up to 40% of Cash Available for Distribution, while Funds targeting value-added returns typically will be structured to provide the Adviser a Profits Interest or Promote of up to 20% of Cash Available for Distribution.

### ***Xebec Asset Level Service Fees***

In general, each Fund’s operating strategy is to use or otherwise engage in transactions with service providers that are owned by or under common control with (or otherwise affiliated



with) Xebec in connection with property acquisition and disposition, development management, construction, construction consulting, financing and guarantee services, property management, leasing, closing, due diligence and other property-related or project-related activities and ancillary services (each an “*Affiliate Service Provider*”). The Sponsor’s services and fees as are discussed in greater detail in the applicable Fund’s private placement memorandum and Governing Documents.

The services and fees for the Funds under the Xebec Advisers typically include:

- Property acquisition fees equal to 1.0% of the acquisition cost for each property acquired directly or indirectly by the Fund;
- Development management fees equal to 5.0% of the budgeted hard and soft development costs of the project (excluding the cost of acquiring the project, taxes, imposts or similar fees, leasing commissions, and any financing costs or cost of funds);
- Financing coordination fees of 1.0% of the aggregate principal amount financed (including financing availability for any facility that provides for undrawn availability and any refinancings);
- Property management fees at market rates as determined by the Adviser, typically 2.0% to 5.0% of annual gross revenue per property, if internally managed in whole or in part by Xebec or its related persons;
- Project disposition fees of 1.0% of total consideration for any property dispositions, including any property owned by a Fund, and, if set forth in the applicable Fund’s Governing Document, sale of the underlying Fund, or other monetization event, and any liquidation of the Fund or its assets;
- Guaranty fees of 1.0% of the aggregate principal amount of the obligations (including the debt of the Partnership or any entity or property owned by the Partnership) guaranteed by Xebec or any of its affiliates;
- General contractor’s fee of generally 5.0% of the aggregate construction cost of the project; and
- Construction consulting services fee (if not engaged for general contractor services) generally ranging from \$50,000 to \$150,000 per project.

The services and fees for the SLR Fund I include:

- A development management fee of \$1.5 million per year, payable quarterly, paid to the Sponsor for its role in overseeing the master planning and development of the property, not to exceed \$7.5 million in the aggregate.
- Acquisition fee of 0.5% estimated at \$1.25 million to be paid to Xebec Holdings upon the closing of the acquisition.
- Administrative fee of \$500,000 to be paid to Xebec Holdings to cover formation and offering costs and expenses.
- Asset management fee on invested capital of up to 2.0% per annum, payable quarterly in advance.

The terms of such fee arrangements may provide for annual or other periodic fees, fees tied to the value or cost of any asset, acceleration of such fees (including for early termination of such fee arrangements), or such other terms as Xebec or SLR deem appropriate in their sole discretion. Fees earned by Affiliate Service Providers generally will not offset or reduce the management fee or incentive allocation, or any distributions to Xebec or SLR in respect of its interests in the particular Fund, including the Profits Interest or Promote, or other Performance-Based Fee. In addition to the above listed services and fees, fees and other compensation for services may be (i) at market rate that the Adviser believes, in its sole discretion, to be within the range of general fair market rates from non-affiliate third parties providing similar services, or (ii) for assets held by an underlying joint venture, at the rate that the third-party venture partner approves. See also further discussion below under this Item 5 “*Conflicting Activities of Xebec and SLR Generally — Transactions with Xebec — Services Provided by Xebec.*”

### ***Conflicting Activities of Xebec and SLR Generally***

Investors should be aware that there will be situations where the Advisers, other investment vehicles, funds, or accounts currently or in the future managed or sponsored by Xebec or any of its affiliates (“***Xebec Sponsored Ventures***”) or SLR or any of its affiliates (“***SLR Sponsored Ventures***”) (collectively, including each Fund, “***Xebec/SLR Sponsored Ventures***”) expect to encounter potential conflicts of interest in connection with a Fund’s investment activities. Xebec and SLR are engaged in a broad spectrum of activities, including real estate acquisition, development, ownership, financing, leasing, property management, and investment management. In the ordinary course of their business, each Xebec and SLR intend to conduct activities in which their interests or the interests of a Xebec/SLR Sponsored Venture may potentially conflict with or are adverse to the interests of one or more Funds. As discussed above, other Xebec/SLR Sponsored Ventures routinely utilize Xebec’s services, for which Xebec receives, directly or indirectly, fees and reimbursed expenses that are not shared with any Fund or its investors (whether directly, through an offset of management or other fees payable by a Fund or its investors, or otherwise).

Xebec and SLR may make investment decisions for their own account or for the account of any one or more of their Xebec/SLR Sponsored Ventures, as applicable, that differ from those made for one or more of the Funds. Decisions made for each Xebec/SLR Sponsored Venture are made consistent with Xebec’s and SLR’s duties to that entity (whether as an Adviser or otherwise) which may differ from or conflict with their duties to one or more of the Funds. Xebec and SLR may also conduct other activities outside of one or more Funds where Xebec’s and SLR’s own interests may conflict with those of the Fund(s). Accordingly, in certain instances the resolution of a conflict may result in Xebec and SLR acting on behalf of itself, or another Xebec/SLR Sponsored Venture, in a manner that is ultimately not in the best interests, or is opposed to the interests, of one or more of the Funds. These conflicts may arise, for example, where Xebec, SLR, or a Xebec/SLR Sponsored Venture holds an interest in the same property, entity or other investment in which another Fund also holds an interest, whether such interests are held in the same or different classes of interests, or where an investment opportunity that could be pursued by a particular Fund is instead pursued by another Xebec/SLR Sponsored Venture. These conflicts may also arise by virtue of the fact that, within Funds, investors will typically hold non-controlling interests, with no management rights, while Xebec and SLR typically hold, directly and indirectly, interests coupled with management and/or control rights, sometimes along with non-controlling interests. As a result of Xebec’s and SLR’s duties to other Xebec/SLR Sponsored Ventures, or by virtue of other activities that Xebec and SLR pursue, the Adviser may avoid making certain

investments or investment decisions, or taking certain other actions on behalf of a Fund that would potentially give rise to conflicts with the interests of Xebec, SLR, or other Xebec/SLR Sponsored Ventures. This could have the effect of limiting the investment opportunities that would have otherwise been potentially available to a Fund absent such conflicts of interest. Alternatively, the Adviser might seek to resolve the conflict by adopting a particular strategy for a Fund or making different investment and other decisions which could result in a different investment outcome than might have been the case in the absence of the conflict. Separately, Xebec and SLR may enter into transactions directly with other Xebec/SLR Sponsored Ventures, including simultaneously seeking to purchase (or sell) properties or other investments for one Fund and to sell (or purchase) the same property or other investment for other Xebec/SLR Sponsored Ventures or selling properties or other investments from another Xebec/SLR Sponsored Venture to another Fund. Conflicts of interest generally will be resolved by Xebec or SLR, as applicable, in their sole discretion, except in limited circumstances where the approval of a third party, committee or representative is required under the Fund's Governing Document or by law. Certain conflicts created by the competing and other activities of Xebec, SLR, and other Xebec/SLR Sponsored Ventures are discussed in greater detail in the applicable Fund's private placement memorandum and Governing Documents.

*Conflicting Activities of Xebec and SLR Personnel; Allocation of Time.* The Advisers will devote such time as each deems necessary to conduct the business affairs of a Fund in an appropriate manner. However, Xebec and SLR personnel will also work on other Xebec/SLR Sponsored Ventures' investments in the normal course of Xebec's and SLR's business (e.g. Xebec Building Company, which is an affiliate of Mr. Kendrick). Xebec's and SLR's personnel are also permitted to undertake investment activities and other business opportunities outside of Xebec and SLR. Consequently, Xebec and SLR personnel expect to be subject to potential conflicts in allocating their time and services among each Fund, Xebec, SLR, other Xebec/SLR Sponsored Ventures, and activities outside of Xebec and SLR in which they engage. Xebec and SLR personnel may have differing interests across each Fund, Xebec, SLR, other Xebec/SLR Sponsored Ventures and activities outside of Xebec and SLR, including economic interests therein, which may incentivize such personnel to disproportionately allocate their time to entities, other than the Funds, in which they hold greater economic or other interests.

The Advisers, entities affiliated with Xebec, SLR, and/or their respective personnel can also be expected to receive certain intangible and/or other benefits arising or resulting from their activities on behalf of the Funds, which will not be subject to management fee, administrative fee or Performance-Based Fee offsets or otherwise shared with the Funds, their investors and/or portfolio companies or property-owning entities. For example, airline travel or hotel stays incurred as Fund expenses may result in "miles" or "points" or credit in loyalty or status programs, and such benefits will accrue exclusively to the Advisers, entities affiliated with Xebec Holdings or SLR and/or their respective personnel (and not to the Funds, their investors and/or portfolio companies or properties-owning entities) even though the cost of the underlying expense is borne directly by the Funds or their portfolio companies or properties-owning entities and indirectly by the Fund's investors.

*Transactions with Xebec.* As discussed above in this Item 5, generally a Fund's operating strategy includes engaging Xebec or other Xebec Sponsored Ventures for customary real estate related services, including property acquisition and disposition, development management, construction, construction consulting, financing and guarantee services, property management,

leasing, closing, due diligence and other property-related or project-related activities and ancillary services. Each of these foregoing transactions presents conflicts of interest. While the Advisers intend to comply with Xebec's and SLR's internal policies and the Adviser's obligations as registered investment advisers, conflicts in direct transactions with Xebec affiliated entities (including other Xebec Sponsored Ventures) (each an "*Affiliate Counterparty*") may nevertheless arise and may not necessarily be resolved in favor of a Fund. Examples of certain transactions and certain potential conflicts are discussed below:

*Purchase and Sale of Properties and Other Investments.* A key part of Xebec's and SLR's growth and/or exit strategy for various Funds includes purchases and sales between different Xebec/SLR Sponsored Ventures, which acquire, develop, manage, hold and exit properties at different times during the value creation cycle for a property. Funds that hold Development Assets may sell the developed assets to Funds that hold Stabilized Assets as a key part of the exit strategy for the Development Asset vehicles and as a key part of the growth strategy for the Stabilized Asset vehicles. While the Xebec/SLR Sponsored Ventures generally transact at prices that both parties determine to represent fair value each in accordance with their respective Governing Documents, in purchase and sale transactions with Affiliate Counterparties there is a risk of undervaluing or overvaluing an asset (and inherent difficulties in determining a fair value for an asset to both a seller and purchaser), with the potential that a Fund may pay too much for an asset it purchases or may receive too little for an asset it sells to an Affiliate Counterparty. If an asset is undervalued or overvalued, the Affiliate Counterparty may benefit at the expense of the counterparty Fund. Because Xebec and SLR may have financial incentives with respect to a Fund's purchase or sale of properties or other assets from or to Affiliate Counterparties, Xebec, SLR, and the Advisers may unduly favor certain purchase or sale opportunities for a Fund with Affiliate Counterparties where other third-party opportunities may exist on equivalent or better terms. As a result, it is possible that a Fund may pay more or receive less favorable terms in connection with a purchase or sale of assets from an Affiliate Counterparty than it would for the same or similar asset in a third-party sale transaction.

*Co-Investment in Xebec/SLR Sponsored Ventures.* Certain Funds co-invest in selected joint venture development projects in which Xebec, SLR, or another Xebec/SLR Sponsored Venture participates as the general partner or managing member of the joint venture. When acting in the capacity as the general partner or managing member in a development project, the joint ventures will typically be structured so that Xebec or SLR is entitled to a Profits Interest or Promote in the venture developing the project that entitles Xebec or SLR to participate in the total return from the project with joint venture partners that have invested capital. Xebec's and SLR's cumulative economic interests in any venture may allow Xebec and SLR to realize an aggregate return on any particular venture greater than the return to be realized by other joint venture partners and/or greater than the return Xebec and SLR would receive in respect of the Fund, and in any case may create an incentive for Xebec and SLR to (a) make investment decisions favoring such venture relative to a Fund (including the allocation of certain investment opportunities) and/or (b) cause the venture to take on greater risk in connection with project management impacting the Fund, and/or (c) make riskier or more speculative investments impacting the Fund. Xebec's and SLR's economic interests in any venture also create separate conflicts in connection with income tax consequences that are different from those of other joint venture partners or the Fund. Additional conflicts exist in the determination of the rate of preferred return that must be

earned by joint venture partners before Xebec's and SLR's Profits Interest, Promote or other economic incentives to participate in the total return, which may be a single or tiered preferred rate of return, and which may vary across Xebec/SLR Sponsored Ventures, as well as the rate at which the Profits Interest, Promote or other economic incentives participate. As a result, Xebec and SLR may be incentivized to allocate certain opportunities or the time of Xebec or SLR personnel to one or more other Xebec/SLR Sponsored Vehicles over a specific Fund in order to realize greater returns, or Xebec and SLR may be incentivized to cause a Fund to participate in a venture in which Xebec or SLR holds other interests or receives other benefits.

*Affiliate Service Providers.* As discussed above in this Item 5, generally each Fund's operating strategy is to use or otherwise engage in transactions with Affiliate Service Providers, in connection with property acquisition and disposition, development management, construction, construction consulting, financing and guarantee services, property management, leasing, closing, due diligence and other property-related or project-related activities and ancillary services, as applicable to the activities of the particular Fund. For instance, a Fund and its related entities may engage an Affiliate Service Provider for development management services, and Xebec Building Company (an affiliate of Mr. Kendrick, Xebec's co-founder, President and Chief Executive Officer) for construction services and construction consulting, and may engage John Lehr, Xebec's co-founder and retired President and Chief Legal officer, to provide legal services on select matters (including in connection with project-level entity formation, property acquisition, entitlement, financing and related activities), and compensate Affiliate Service Provider, Xebec Building Company and Mr. Lehr, respectively, for such services at rates that the General Partner or the Manager believes, in its sole discretion, to be within the range of general fair market rates from non-affiliate third parties providing similar services, or (ii) for a Fund with assets held through a joint venture with third-party institutional capital partners at the rates the underlying venture agreement approves with the consent of such third-party. Funds have a financial incentive to utilize Affiliate Service Providers, and in many cases have sole discretion to determine the fees and other terms for these services, and there is not an independent third-party involved to evaluate the fairness of the arrangements. As a result, although fees charged by Affiliate Service Providers would be at rates that the Adviser believes, in its sole discretion, to be within the range of general fair market rates from non-affiliate third parties providing similar services, such fees nevertheless could be greater than those that would be charged by outside parties providing similar services. A potential conflict of interest also exists in the determination of the other terms in the applicable agreement, which may be more favorable to Xebec, SLR, or its personnel than terms that would otherwise be available on an arm's length market basis. Fees charged by Affiliate Service Providers are discussed in greater detail in each Fund's private placement memorandum and Governing Documents, and are generally as listed above in this Item 5 "*Xebec Asset Level Service Fees.*"

The terms of such fee arrangements may provide for annual or other periodic fees, fees tied to the value or cost of any asset, acceleration of such fees (including for early termination of such fee arrangements), or such other terms as Xebec or SLR deems appropriate in its sole discretion. Fees earned by Affiliate Service Providers will not offset or reduce the management fee or incentive allocation, or any distributions to Xebec or SLR in respect of its interests in the particular Fund, including the Profits Interest or Promote or other

Performance-Based Fees in any other Xebec/SLR Sponsored Venture. There can be no guarantee that Affiliate Service Providers will have a positive impact on a Fund or its investments, or that they will produce the same or better results than those that could have been achieved by unaffiliated service providers. Any Affiliate Service Provider will be subject to significant conflicts of interest, and may take actions that are adverse to a Fund's interests.

### ***Expenses Charged to Funds***

Generally, each Fund bears all fees, costs, expenses and other liabilities or obligations incurred in connection with the formation and organization of, or sale of interests in, the Fund, its general partner (or managing member) and/or the Adviser. In addition, each Fund also bears all fees, costs, expenses and other liabilities or obligations relating to or arising from its formation, marketing, operations, activities, meetings and eventual liquidation (either directly or indirectly through the payment of such expenses by portfolio investments).

The Governing Documents of each Fund, including the private placement memorandum, set forth the particulars of the operating expenses that will be borne by the Fund, which may include (without limitation) the fees, costs and expenses relating to or arising from:

- Organization, formation, marketing, offering, structuring, management, conduct, operation, maintenance, and the dissolution, winding up and termination of the Fund, its related entities and their respective business, or the entities through or in which investments may be made, or otherwise attributable to the existence of the Fund and its related entities (including all fees and costs of placement agents and all out-of-pocket legal, accounting, consulting, marketing, mailing, courier, filing, travel, printing and other start-up costs and expenses);
- sourcing, finding, investigating, developing, evaluating, negotiating, structuring, acquiring, monitoring, holding, administering, financing, refinancing, managing, hedging, selling, exchanging or otherwise disposing of or monetizing prospective and actual investments, including consummated investments and any syndication thereof, any proposed but unconsummated investments and any proposed but unconsummated syndication of investments;
- research and software expenses, and other expenses incurred in connection with data services providing price and news feeds, real estate market, securities and company information, or other fundamental data, in each case that are attributable to Fund investments or otherwise beneficial to the Fund's investing;
- third-party research, news, industry information, analytics and expert networks/research resources;
- legal, compliance, custodial, depositary, brokerage, client relations, auditing, accounting and banking costs, fees and expenses, including for example, costs, fees and expenses attributable to legal, compliance, client relations, accounting, reporting and information management software and systems used in connection with the Partnership, its related entities and their respective activities as well as

those associated with the preparation of financial statements, tax returns and Schedule K-1s, the filing of various foreign tax withholding and treaty forms and the representation of the Fund, its related entities or the Fund by the “tax matter partner” or the partnership representative or designated individual;

- appraisal and valuation services costs, fees and expenses, including costs, fees and expenses of independent appraisal or valuation services or third-party vendor price quotations;
- the allocable share of asset-level costs, fees and expenses, including asset management, construction, development, leasing, acquisition services, disposition services, closing, due diligence and other ancillary services in respect of the Fund’s assets or those of its related entities;
- support services (including data processing, client relations, accounting, legal and tax support and other services), outsourced to third-party service providers;
- transactions not consummated (including costs of any proposed co-investment, co-investment vehicle or joint venture that is not consummated, and including broken deal expenses, diligence and pursuit expenses, and other third-party out-of-pocket expenses);
- defaults by investors in the payment of any capital contributions or other payments required to be made pursuant to the Fund’s Governing Documents;
- organizing, developing, structuring, operating, maintaining and winding up the Fund and its related entities, as applicable, and other persons through or in which investments may be made, and costs fees and expenses related to the business and operations of such persons;
- costs, fees and expenses that are classified as extraordinary expenses under generally accepted accounting principles, and other extraordinary, nonrecurring matters;
- premiums and fees for insurance to benefit, directly or indirectly, the Fund and its related entities, the holders of interests therein, the Adviser or any of its respective affiliates or their respective shareholders, partners, members, officers, directors, employees, and agents, as applicable, with respect to liabilities to any person in connection with the affairs of such entities and for directors’ and officers’ liability insurance or other similar insurance policies, including errors and omissions insurance and financial institution bond insurance;
- taxes and other governmental charges, fees and duties (other than amounts paid or withheld on behalf or with respect to or attributable to an investor in the Fund);
- litigation and indemnification expenses, including damages and other costs, fees and expenses relating to litigation or other matters that are the subject of indemnification rights;

- compliance costs;
- registration with or reporting to regulatory authorities in any jurisdiction in which the Fund, its related entities or their respective affiliates invests, is organized or is marketed or otherwise directly or indirectly conducts business related to the Fund or its investments, including the U.S. Securities and Exchange Commission, the U.S. Treasury Department, the U.S. Internal Revenue Service and other national, state or local regulatory authorities in any country or territory and filings in connection with the U.S. Foreign Account Tax Compliance Act and any comparable legislation or regulations published by any other relevant jurisdiction and other similar regulatory filings (and including any registration or reporting in connection with the Alternative Investment Fund Managers Directive);
- reporting to investors (including tax returns and tax reporting), and printing and delivery, and any annual meeting or other investor meetings;
- compliance with side letters and most favored nations processes;
- matters relating to a Fund's advisory committee (including meetings of the advisory committee) and the Fund's independent client representative, each as applicable (including any fees and expense reimbursements for any independent client representative);
- any governmental inquiry, examination or investigation relating to the activities or operations of a Fund or its portfolio investments and any related judgments or settlements;
- the incurrence and repayment of any indebtedness and hedging arrangements, credit facility, guarantee, letter of credit or similar credit support or one or more other similar financing transactions of the Fund and its related entities (including any interest and other amounts payable thereon and fees and expenses related thereto);
- any management fee or administrative fee charged by a Fund; and
- travel and related expenses associated with the Fund's business and investments and those of its related entities, including accommodations, meals and other similar expenses, fees and costs, airfare (which may include business or first-class airfare and private air travel (which may include reimbursement of the Adviser and its affiliates, or the employees or service providers of the Adviser and its affiliates, for use of aircraft owned or leased by them, in each case, consistent with the Adviser's or such affiliate's travel policies)).

Expenses that are not directly attributable to a specific Fund generally are borne on a *pro rata* basis by the Funds benefitting from the related service. To the extent that any expense relates to both the Fund and any related investment vehicle(s) such as a Co-Invest Vehicle, such expense would typically be shared among the Fund and the investment vehicle(s) in a manner as the Adviser deems equitable, in its sole discretion. A Co-Invest Vehicle will bear its *pro rata* share of any



expenses relating to the applicable consummated investment but generally would not bear broken-deal expenses, which are generally allocated entirely to the primary applicable Fund that has an active commitment period. Brokerage fees may be incurred in accordance with the practices set forth below in Item 12 “*Brokerage Practices.*”

The expenses described above are detailed but do not include every possible expense a Fund may incur. Investors should review the applicable Fund’s offering materials and other Governing Documents for further details.

### ***Arrangements with Third-Party Service Providers to Xebec or SLR***

Third-party lenders, real estate brokers, valuation firms, leasing agents, attorneys, financial advisors, consultants, investment banking firms, appraisers, placement agents, property management providers, insurance brokers, any independent client representatives and others that provide service to the Funds may also provide the same or similar services, multiple services, repeat services and/or other services to Xebec, SLR, other Xebec/SLR Sponsored Ventures and/or members of Xebec’s or SLR’s management and/or their outside business interests. These service providers may also be investors in Xebec, SLR, or a Xebec/SLR Sponsored Venture and/or may be sources of investment opportunities to Xebec, SLR and other Xebec/SLR Sponsored Ventures, and may hold positions on Xebec’s or SLR’s advisory boards. For example, Xebec uses the services of various commercial real estate brokers and leasing agents, some of which are investors in Xebec and, from time to time, certain Xebec Sponsored Ventures. One or more of these brokers could be used in connection with leasing, purchases and sales of assets by a Fund. In addition, for certain properties a Fund may use property management services provided by a third party, the principals of which may be investors in Xebec, SLR, and other Xebec/SLR Sponsored Ventures. As another example, any independent client representative serving for a Fund is not required to be free of conflicts of interest to serve in such role and may be an investor in or have other interests in such Fund, Xebec, SLR or another Xebec/SLR Sponsored Venture and/or may be a source of investment opportunities to such Fund, Xebec, SLR, or another Xebec/SLR Sponsored Venture. The relationships with these service providers may present conflicts of interest, as they may influence Xebec and SLR in deciding whether to select one service provider over another. There may also be conflicts of interest for the service provider in how the service provider renders its services, in light of its multiple relationships with the applicable Fund, Xebec, SLR, other Xebec/SLR Sponsored Ventures and/or members of Xebec’s or SLR’s management and/or their outside business interests. For example, a valuation firm used by a Fund that has other relationships with Xebec could have incentives to provide higher valuations to XLT which may increase management fees earned by a Xebec Sponsored Venture as manager, in order to carry more favor with Xebec, SLR, or other Xebec/SLR Sponsored Ventures for additional engagements in the same or other aspects of Xebec’s or SLR’s business.

While rates, fees and commissions paid in connection with any transaction with third-party service providers are generally expected to be on arm’s-length terms, nevertheless conflicts of interest exist, as Xebec, SLR, and their personnel may receive other benefits from these relationships that are not made available to a given Fund. Xebec and SLR may have an incentive to select a service provider with which it has a relationship or shares or participates in other business interests over another, even if such service provider is not available on the most favorable terms or does not offer the best option for services to each Fund. In addition, Xebec, SLR, and other Xebec/SLR Sponsored Ventures may have differing arrangements with the same service

providers to a Fund and may benefit from more favorable rates or arrangements than those offered to such Fund, and such Fund will not be entitled to share in any of these benefits. To the extent Xebec, SLR, or other Xebec/SLR Sponsored Ventures engage a third-party service provider not otherwise engaged by a Fund at rates that are more favorable to Xebec, SLR, or such Xebec/SLR Sponsored Ventures, Xebec or SLR will have no obligation to cause such Fund to engage the same service provider at the same rates or at all. Conflicts of interest may exist which prevent Xebec or SLR from engaging a service provider used by Xebec, SLR, or a Xebec/SLR Sponsored Venture. A Fund may pay more for certain services than amounts paid for the same or similar services by Xebec, SLR, or a Xebec Sponsored Venture. By acquiring interests in a Fund, investors are deemed to consent to the arrangements with service providers negotiated from time to time by Xebec, SLR, or their affiliates.

Additionally, as part of Xebec's and SLR's respective joint ventures with institutional capital partners, third-party service provider fees that are approved by such institutional capital partners pursuant to the applicable joint venture agreement will be deemed to be within the range of general fair market rates and appropriate (please refer to Item 11 "*Relationship with Institutional Capital Partners*" for additional information regarding such joint venture arrangements generally).

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

As described in Item 5 "*Fees and Compensation*" above, Xebec and SLR may receive Performance-Based Fees based upon the performance of a Fund. Xebec and SLR do not advise Funds that are not subject to Performance-Based Fees. However, Xebec and SLR may waive or reduce the Performance-Based Fee with respect to certain investors, as described above in Item 5 "*Fees and Compensation*."

In allocating investments, the Advisers may have incentives to favor Funds with potential for higher Performance-Based Fees over other Funds. The Advisers have adopted allocation policies as part of their overall compliance program designed to treat all Funds fairly and equitably in accordance with the applicable Governing Documents.

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

The Advisers' clients are the Funds. Investment advice is provided directly to the Funds and not individually to Fund investors. The Funds may include investment partnerships or other pooled investment vehicles formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the "*Investment Company Act*"). Fund investors may include high net-worth individuals (domestic or foreign), banks or thrift institutions, sovereign wealth funds, pension and profit-sharing plans, trusts, estates, charitable organizations or other corporations or business entities and also may include, directly or indirectly, past or current service providers, and principals or other employees of the Advisers. The Advisers may in the future also enter into separately managed accounts with clients.

Typically, the Funds require minimum investment amounts ranging from \$100,000 to \$1,000,000, but the minimum investment amounts have been, and in the future may be, reduced at the discretion of the Adviser, subject to applicable legal requirements.

Fund interests are offered and sold generally to investors that are (i) "accredited investors" as defined under Regulation D of the Securities Act of 1933, as amended, (ii) "qualified clients"

as defined under the Advisers Act or other “knowledgeable employees” of the Advisers, and (iii) in the case of certain Funds, “qualified purchasers” as defined in Section 2(a)(51)(A) of the Investment Company Act.

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

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The Advisers provide day-to-day investment management and advisory services to a Fund. The following is a summary of the investment strategies and methods of analysis generally used by the Advisers on behalf of the Funds. More detailed descriptions of each Fund’s investment strategies, and the applicable methods of analysis, are included in the offering materials and other Governing Documents for the Fund. While the descriptions of a Fund’s investment strategies and the Adviser’s methods of analysis are relevant to the Co-Invest Vehicle(s), each Co-Invest Vehicle generally invests in one-off investments of a multi-asset Fund and, therefore, lacks the potential benefit of asset diversification of the underlying Fund and will be disproportionately exposed to the risks associated with the specific portfolio investment, including the risk of loss. The summary below should not be interpreted to limit in any way the Funds’ investment activities. There can be no assurance that the Advisers will achieve the investment objectives of each Fund, and a loss of investment is possible.

### ***Methods of Analysis***

Prior to making an investment in respect of a Fund, the Adviser conducts fundamental analyses on the potential investment, its market and its go-forward expected performance, and ultimately the return potential of the investment, as well as the potential risks. In performing diligence on a potential investment, the Adviser considers, among other things, the relevant market, the competitive assets, similar real estate and buildings as well as the target investment to understand the market and the potential investment’s competitive position within the market.

Prospective investment opportunities are generally sourced through a network of relationships in the real estate industry, including existing operating and development partners, potential new operating partners, real estate brokerage and lending contacts, as well as relationships with various other real estate professionals. The Adviser seeks to proactively identify investment opportunities that are not broadly marketed for sale and endeavors, where possible, to identify and execute real estate transactions outside of a competitive bidding process.

### ***Investment Strategies***

The Adviser employs a range of investment strategies in managing a Fund’s assets, which includes identifying and investing in a diversified pool (in the case of larger multi-asset Funds) of bulk logistics, light industrial and infill/last-mile industrial stabilized or development properties and other real estate and real estate-related debt and equity assets throughout the United States seeking to provide attractive risk-adjusted returns, with an emphasis on tier-one markets. The Adviser will pursue specific investment objectives and strategies for each Fund as set out in the Fund’s Governing Documents.

As of the date of this Brochure, the Adviser believes the tier-one markets are experiencing growing demand for bulk logistics, light industrial and infill/last-mile industrial properties, and believes they share the following market characteristics:

- high barriers to entry;
- significant demographic reach within a 400-mile radius;
- proximity to the interstate highway system and interchanges;
- proximity to an international airport;
- proximity to class-one rail infrastructure for both international and domestic intermodal containerized cargo flow; and
- in coastal markets, proximity to a port complex handling containerized cargo.

For each Fund, the Adviser intends to seek to mitigate investment and operating risk based on the particular strategy of that Fund. For example, with respect to a Fund comprised primarily of Stabilized Assets, the Adviser generally intends to mitigate investment and operating risk through pursuit of the following strategies (among others):

- *Tenant Selection:* The Adviser seeks over time to reduce credit risk attributable to the concentration of significant tenants in multiple properties.
- *Tenant Diversification:* The Adviser seeks to lease properties to tenants across a broad spectrum of business types and size, ranging from large investment grade, international businesses, to smaller local and regional, non-investment grade businesses. The Adviser considers the creditworthiness of tenants as a critical factor in limiting exposure to lost rents, and all tenants are subject to credit review. Although a Fund may enter into leases with any type of tenant, the Adviser seeks businesses that have a substantial balance sheet or operating cash flows relative to the lease obligations, or businesses whose lease obligations are guaranteed by another entity with a substantial balance sheet or operating cash flows.
- *Industry Exposure:* The Adviser seeks broad-based exposure to various industries across a Fund's tenant base, with the goal of limiting tenant concentration in select industries.
- *Lease Rollovers:* The Adviser will seek to manage a Fund's portfolio over time to stagger lease expirations to mitigate the exposure of lease termination and tenant roll-over in any particular period.

### ***Risks of Investment***

Each Fund and its investors bear the risk of loss based on the Advisers' investment strategy. While the discussion below refers to both a "Fund" or the "Funds," it enumerates certain risk factors that apply generally to an investment in any Fund. However, the following discussion does not describe all of the risks that may potentially be faced by an investment in any Fund. Prior to making any investment in any Fund, investors should review the applicable Fund's offering documents and other Governing Documents for additional information regarding risks and conflicts of interest specific to the Fund.

### ***Impact of Coronavirus Pandemic on the Funds***

*Economic Impact.* In December 2019, a novel strain of coronavirus surfaced ("Coronavirus") and has spread around the world, with resulting business and social disruption. The Coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The speed and extent of the spread of the Coronavirus and the duration and intensity of resulting business disruption and related financial and social

impact continue to be uncertain and the adverse effects thereof may be material. While governmental agencies and private sector participants have sought to mitigate the adverse effects of the Coronavirus, including such measures as heightened sanitary practices, telecommuting, quarantine, curtailment or cessation of travel and other restrictions, and the medical community is seeking to develop vaccines and other treatment options, the efficacy of such measures and the timing of the delivery of an effective vaccine is uncertain. Negative impacts on economic fundamentals and consumer confidence may adversely impact market value, increase market volatility, cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on a Fund and its investment strategy and assets.

The spread of the Coronavirus and the subsequent national, state and local governmental responses have had a significant impact on the national and global economies, in which certain Fund assets are located. Such economies have seen higher rates of unemployment, volatility in the capital markets, and growing concerns over the long-term impacts on public health and economic recovery. While the remedial fiscal responses to date from the U.S. federal government have been significant, the ultimate duration and extent of any continued fiscal responses are unknown, and the ultimate extent of the negative impacts to the global economy, and U.S. economy in particular, cannot be reasonably predicted. The anticipated trajectory of the health crisis and its impact on the global economy continue to evolve as local, U.S. state, U.S. federal and global governments and health authorities continue to organize their efforts to respond to the pandemic. It is uncertain whether and to what extent government and non-government actors globally will work to contain the spread of the Coronavirus and provide liquidity to local economies. The impact of these actions is further described below.

*Shelter at Home and Other Regulations.* The actions taken to date by U.S., state and local governments to contain the spread of the Coronavirus could have an adverse effect on the assets owned by the Partnership. Various forms of “Shelter-in-Place” and “Stay-at-Home” orders have been adopted by states in which certain Fund’s assets are located, and the Advisers’ and their affiliates offices, are located, and additional or different orders could be adopted in the future. Such orders may affect construction, property management and related activities, remote working arrangements and operations generally for any of the Funds, tenants of a Fund’s property or properties, Xebec, SLR, counterparties of or service providers to any of the foregoing, and others. Any disruptions to any of the foregoing or other operations could affect a Fund’s financial condition and cash flows.

Lifting of Shelter-in-Place and Stay-at-Home orders and reopening of economies could result in acceleration in the spread of the Coronavirus, which could, in turn, lead to a renewed imposition of restrictions on social and commercial activities, including renewed “Shelter-in-Place” and “Stay-at-Home” orders. It is possible that more restrictive measures could be adopted in the future that could materially adversely impact a Fund’s assets or the operations of a Fund, tenants of a Fund’s property or properties, Xebec, SLR, counterparties of or service providers to any of the foregoing, and others. The extent to which a Fund may be adversely affected by the Coronavirus and the related economic impact will depend on, among other things, the rate of the continued spread of infection, the development of new treatments and vaccines, reactions from governmental and health authorities where the assets and Xebec and SLR are located, and the extent and duration of the related negative impact to the economy, none of which can be accurately predicted now or in the future. Moreover, a Fund’s operations could be negatively affected if

employees or service providers are quarantined as the result of, or in order to avoid, exposure to a contagious illness.

*Impact on Access to Capital and Commercial Financing.* The success of a Fund's investment strategy may depend in substantial part on its ability to access institutional sources of debt and equity capital to acquire additional assets and to refinance existing debt obligations as they mature. As mentioned above, one of the immediate economic impacts from the Coronavirus has been the tightening of the availability of sources of debt and equity financing, including for the financing of commercial real estate acquisitions and development. The availability of debt and equity capital is outside of a Fund's control and a Fund may not be able to obtain debt and equity financing on favorable terms or at all, and any additional debt a Fund incurs without additional equity will increase its leverage ratio and the risk of potential default. In addition to the Coronavirus' impact on capital markets, a Fund's access to third-party sources of capital depends, in part, on: (i) general market conditions; (ii) the market's perception of the Fund's investment strategy and potential for future growth; (iii) the Fund's current and expected future debt levels; (iv) the Fund's current and expected future returns; and (v) the Fund's cash flow and cash distributions, as applicable to each particular Fund. If the Fund cannot obtain capital from third-party sources on favorable terms when desired, or at all, it may not be able to acquire and/or develop properties when strategic opportunities exist, meet the capital and operating needs of its existing properties, or satisfy its debt service obligations. To the extent that capital is not available to acquire properties, returns may not be realized or their realization may be delayed, which could result in the Fund not meeting its projected returns and distributable cash flow levels, as applicable, which could have an adverse effect on the Fund's financial condition.

*Risks Related to Renewed or Future Pandemics.* Significant increases in the number of diagnosed cases of the Coronavirus or outbreaks of future epidemics or pandemics, or fear of the same, could result in a recurrence of the risks discussed above. In addition, future pandemics or similar events may adversely impact the logistics supply chain with respect to the supply of construction materials, such as ships being unable to dock at ports for delivery of construction materials and, more generally, disruption of supply chains and delivery schedules, slowing the pace of project development and the supply of completed projects for acquisition and/or leasing. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses may also have a material adverse effect on the Partnership's customers, business and results of operations. The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably estimated. While the Advisers do not expect the present substantial negative impact the Coronavirus is having on the global and U.S. economy to have a near-term material adverse impact on a Fund's investment, including any properties or their tenants, it is not possible at this time to anticipate or predict the severity of the negative impact of an extended or future health crisis, or likelihood and severity of an economic recession or depression. The possibility remains that a Fund's assets, and by extension the value of an investment in the Fund, could be materially adversely affected. No assurance can be given as to the effect of these events on the value of a Fund's investments, including property or properties, and these events may have a significant adverse impact on a Fund's performance.

### ***General Business Risks***

As discussed above under this Item 8 "*Impact of the Coronavirus on the Funds*," global economies and financial markets have been materially negatively impacted by the Coronavirus

global pandemic. The discussion that follows is with respect to those risks that are and will be applicable to investments in the Funds and their respective management and operations, even following recoveries of the U.S. and global economies from any recession or depression resulting from the Coronavirus pandemic.

### ***Risks Related to the Operation and Management of the Funds***

*Reliance on the Adviser and Key Personnel.* A Fund's success will be substantially dependent upon the efforts of the Adviser and its key personnel, in particular Mr. Kendrick, President and Chief Executive Officer of Xebec Holdings and SLR. The death, disability or withdrawal of Mr. Kendrick or any other future key executive could have a material adverse effect on the ability of the Fund to operate and achieve its strategic plan. There can be no assurance that any of the Adviser, its principals or key personnel will continue to be associated with the Fund, or their respective affiliates throughout the life of the Fund. The ability of the Adviser to retain its management group or to attract suitable replacements, should any members of the management group leave, is dependent on the competitive nature of the employment market. Competitive pressures may also require that the Adviser enhance its compensation and benefits packages to compete successfully for the best personnel, which may not be feasible for the Adviser.

*Exclusive Management by the Adviser.* Generally, a Fund will be managed either exclusively by an Adviser or by an Adviser subject to various consent, approval and veto rights of one or more significant joint venture partners not affiliated with Xebec or SLR. Please see the discussions below in Item 11 "*Relationship with Whitman Peterson*" and "*Relationship with Institutional Capital Partners*." Investors will not be able to make investment or any other decisions in the management of the Fund and will not make decisions with respect to the acquisition, management, disposition or other realization of any investment of the Fund. In blind-pool Funds the Adviser has broad discretion in selecting the types of properties in which the Fund will invest, in some cases subject to substantial approval rights by joint venture partners not affiliated with Xebec or SLR, and Fund investors will not have the opportunity to evaluate potential investments. The Adviser (in some cases together with significant joint venture partners not affiliated with Xebec or SLR) will have primary responsibility for seeking and evaluating acquisition opportunities on behalf of a Fund, structuring and negotiating acquisitions, monitoring the performance of assets, and disposing of assets. In evaluating potential acquisitions, the Adviser will rely on its own financial projections. In all cases, financial projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from such projections. General macroeconomic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

*Xebec Funds' Limited Operating History and Experience in New Markets.* While Xebec has an over 30-year history of real estate development and property management, Xebec's current asset management structure and certain of its Funds have existed only since 2017 (and certain of its Funds are even more recently formed), and Xebec's and the Advisers' experience to date has been substantially concentrated on properties in Southern California. Many of the Funds have no operating history at the time investors are admitted. Certain of the Funds will acquire properties in markets in which Xebec and the Advisers have limited or no prior operating or development experience. Accordingly, the Funds may compete for assets with entities that may have greater experience and knowledge of these markets and may have better relationships with local sellers,

brokers, lenders or others. Investments in new markets may require more management time, staff support and expense to develop and maintain an appropriate knowledge base and relevant relationships.

*SLR Fund I's and SLR Venture's Recently Organized Entities.* SLR Fund I has recently been organized and therefore has no operating history. SLR Fund I was formed to hold an interest in Sandow Lakes Ranch Venture, LLC (the “**SLR Venture**”). The Venture has also recently been organized and therefore has no significant operating history. It is anticipated that the Venture will acquire the underlying property asset (the “**SLR Property**” and develop and dispose of portions of the SLR Property pursuant to a long-term business plan (the “**Business**”). The likelihood of the success of the SLR Venture must be considered in light of the problems, delays, risks, expenses and difficulties frequently encountered in connection with the establishment of a new enterprise, many of which may be beyond SLR Fund I or the SLR Venture's control. SLR Fund I and the SLR Venture are subject to all of the risks inherent in the creation of a new enterprise and the competitive environment in which it will operate. SLR Fund I and the SLR Venture believe that the estimates prepared as to the capital, personnel, equipment, organizational expenses and working capital required for its proposed operations are reasonable, but, until the SLR Venture's operations have been fully established, it is not possible to determine the accuracy of such estimates. SLR Fund I and the SLR Venture have not had any significant operating experience to date and therefore have no firm basis, other than management's opinion, on which to estimate the costs to be incurred. Although SLR Fund I and the SLR Venture believe in the economic viability of its plan, there is no assurance that SLR Fund I or the SLR Venture will be profitable, that SLR Fund I or the SLR Venture will generate sufficient cash flow to meet the obligations of the SLR Venture, or that expected growth rates will be attained.

*Other Business Activities of the Manager.* Certain Funds do not limit the outside business activities that Xebec, SLR, and their personnel may pursue, which may include certain activities that are competitive with those of the Fund; however, other Funds have priority rights and exclusivity rights ahead of other Funds with respect to opportunities that may fall within overlapping mandates shared by those Funds. Subject to observance of any priority and exclusivity obligations, Xebec, SLR and their personnel are generally free to engage in such other business activities as they desire. Neither a Fund nor its investors will, by purchasing an interest in a Fund, acquire an interest, direct or indirect, in such other business activities. Please also see the discussion above in Item 5 “*Conflicting Activities of Xebec and SLR Generally.*”

*Cyber-Security Threats.* Cyber-security threats could result in disruption of operations, loss of assets, or damage to a Fund's reputation. Each Fund, the Adviser and their respective service providers rely on information technology systems for current and planned operations, including to facilitate their ability to monitor and control their respective operations and adjust to changing market conditions. A Fund, the Advisers and their service providers may be prone to operational and information security risks resulting from cyberattacks. Cyberattacks include, among other behaviors, stealing or corrupting data maintained online or digitally, ransomware, denial-of-service attacks on websites, the unauthorized release or use of confidential information and causing operational disruption. Successful cyberattacks against, or security breakdowns of, the Advisers, a Fund or third-party service providers may adversely impact such Fund's investors. The Fund may also incur substantial costs for cyber-security risk management in attempting to mitigate and prevent any cyber incidents in the future. The Fund and the investors could be negatively impacted as a result.



*Technological Failure.* Each Fund's business is highly dependent on the communications and information systems of the Advisers. In addition, certain of these systems are or may be provided to the Advisers by third-party service providers. Any failure or interruption of such systems, including as a result of the termination of an agreement with any such third-party service provider, could cause delays or other problems in the Fund's activities. This, in turn, could have a material adverse effect on the Fund's operating results, require a significant expense to fix or replace such systems and cause reputational damage.

*Global Macroeconomic Conditions.* A Fund's activities and its investments could be materially adversely affected by instability in the local, United States or global financial markets, or changes in market, economic, political or regulatory conditions, as well as by numerous other factors outside the control of the Fund and the Advisers. Scarcity of credit, tighter lending standards, and higher interest rates on business loans could adversely affect financial conditions. These conditions could weaken the global economic landscape, and the future economic environment may continue to be less favorable. If any of these circumstances remain in effect for an extended period of time, it could have a material adverse effect on the Fund's financial results, ability to refinance existing indebtedness, or ability to obtain necessary capital for its business or growth. While the Fund expects that the current industry environment may yield attractive investment opportunities for the Fund, there can be no assurances that conditions in the global financial markets will not worsen or adversely affect the Fund's investment strategy, one or more of the Fund's assets, its access to capital or leverage, its ability to effectively deploy its capital or realize favorable terms on its investment of capital or its overall performance. Trends and historical events do not imply, forecast or predict future events and, in any event, past performance is not necessarily indicative of future results. There can be no assurance that the assumptions made or the beliefs and expectations currently held by the Fund or the Advisers will prove correct and actual events and circumstances may vary significantly.

Concerns over global economic conditions, energy costs, geopolitical issues, pandemic, inflation, the availability and cost of credit, uncertainties in the European Union, the United Kingdom's withdrawal from the European Union (as discussed below under the caption "*United Kingdom and Brexit*"), the impact of tariffs, the United States financial market and the volatility and financial slowdown experienced by the world economy have contributed to increased economic uncertainty and diminished expectations for the global economy. Interest rates, general levels of economic activity, fluctuations in the market prices of equity, debt, commodities and real estate, and participation by other investors in the global financial markets may materially and adversely affect the value of, and performance of an investment in, the Fund.

*Legal and Regulatory Developments.* Governmental and regulatory authorities, including in the United States, have taken unprecedented action to attempt to stabilize financial markets and improve and increase regulatory oversight in response to events in the last decade, including the most recent global financial market crisis. Attention remains focused on the need for financial institutions, trading firms, and private investment funds to maintain adequate risk controls, capital reserves and compliance procedures. Events have also raised concerns and prompted regulatory responses as to the manner in which certain exchanges and regulators monitor trading activities and protect customer funds. Disruptions and adverse events in the equity, securitization, derivative, and money markets and the freezing of the credit markets have increased the call for additional and consolidated regulatory oversight of the global financial markets. As a result, the regulatory environment for private investment funds, such as the Funds, is evolving and the effect

of any regulatory or tax changes currently being implemented or which may be implemented in the future on the Adviser and the Funds, the markets and instruments in which the Funds invest, and the counterparties with which the Funds conduct business is difficult to predict.

*United Kingdom and “Brexit.”* The United Kingdom left the European Union on January 31, 2020 (commonly referred to as “Brexit”). In connection with Brexit, the United Kingdom and the European Union agreed to the EU-UK Trade and Cooperation Agreement, which took effect on January 1, 2021 and governs the future trading relationship between the United Kingdom and the European Union in specified areas. The uncertainty surrounding the implementation of the EU-UK Trade and Cooperation Agreement and the outcome of ongoing negotiations may have economic, tax, fiscal, legal, regulatory and other implications for the asset management industry, the broader European and global financial markets generally and a Fund and its investments. This uncertainty is likely to continue to affect the global economic climate and may affect opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the United Kingdom or the European Union, including companies or assets held or considered for prospective investment by the Funds. There can be no assurance that any negotiated laws, taxation and/or regulations will not have an adverse impact on a Fund and its investments. The ongoing effects of Brexit may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, an adverse effect on the ability to manage, operate and invest a Fund and increased legal, regulatory or compliance burdens for an Adviser or a Fund, each of which may have a negative impact on operations, financial condition, returns or prospects. The future application of European Union-based legislation to the private fund industry in the United Kingdom and the European Union will ultimately depend on how the United Kingdom renegotiates its relationship with the European Union following any withdrawal. There can be no assurance that any renegotiated terms or regulations would not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives. Brexit may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management due in part to redenomination of financial assets and liabilities. Global impacts could have an adverse effect on the ability of an Adviser to execute its investment, growth and operating strategies.

*Natural Disasters, Terrorism, Cyberterrorism, Bioterrorism, Acts of War, and Force Majeure Events.* Natural disasters, terrorist acts (including cyberterrorism and bioterrorism), acts of war, and similar dislocations may adversely affect a Fund’s assets and financial performance. Upon the occurrence of a natural disaster such as a flood, tornado, hurricane, fire or earthquake, or upon an act of war, terrorism, riot or civil unrest, the impacted country or geographic region, and potentially the global economy, may not efficiently and quickly recover from such event, which could have a material adverse effect on the Fund or some or all of its assets. In addition, continued hostilities in the Middle East and the occurrence or threat of terrorist attacks (including cyberterrorism) in the United States and other countries could adversely affect the global economy. Terrorist attacks and related events can result in increased short-term economic volatility. The effects of threats and/or future terrorist acts, military action or similar events on the economies and securities markets of countries, and the global economy, cannot be predicted. Such disruptions of the world financial markets could affect interest rates, ratings, credit risk, inflation and other factors impacting the Fund and its operations and financial results.

*Substantial Indebtedness.* A Fund, or another Fund or joint venture in which it may invest, may use substantial leverage in respect of its properties. References in this paragraph to the “Fund” include the joint ventures and other entities in which the Fund may invest. The Fund’s debt service obligations may have important consequences to holders of the Fund’s equity securities, including, but not limited to: (i) a substantial portion of the Fund’s cash flow from operations will be dedicated to the payment of principal and interest on its indebtedness, thereby reducing the funds available for operations, acquisitions, future business opportunities and other purposes and increasing its vulnerability to adverse general economic and industry conditions; (ii) the Fund’s leveraged position may increase its vulnerability to competitive pressures; (iii) the financial covenants and other restrictions contained in the Fund’s debt terms may require the Fund to meet certain financial tests and restrict its ability to borrow additional funds, to dispose of assets or make distributions to investors, and the Fund may provide guarantees in order to secure the debt; (iv) the funds available for working capital, capital expenditures, acquisitions and general corporate purposes may be limited; and (v) the Fund may be unable to continue as a going concern or, possibly even, forced involuntarily into bankruptcy, or required to voluntarily file for protection under the bankruptcy laws. The cost and availability of debt is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. Furthermore, should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of its investment in a property, the Fund may not achieve an exit capitalization rate consistent with its forecasts.

*Derivative Financial Instruments.* Derivative instruments or “derivatives” include futures, options, swaps, structured investments and other instruments and contracts that are derived from, or the value of which is related to, one or more asset, index, reference rate, or other financial instrument. A Fund may utilize financial instruments such as caps and floors, options, and interest rate swaps, and other derivative instruments to hedge against fluctuations in the relative values of the Fund’s portfolio positions or to invest in an underlying financial instrument. The success of the Fund’s derivatives transactions will be subject to (among other things) the Adviser’s ability to predict correlations between the value of the portfolio’s assets and the direction of interest rates, the price of an underlying financial instrument or other market conditions. Derivative transactions may also expose the Fund to credit risk that a counterparty to a particular transaction will fail to perform its obligations thereunder, as well as liquidity risk that the Fund may be unable to unwind or transfer a particular position in a timely manner at or near the market price. As a result, there is no assurance that a particular derivative instrument will achieve a desired hedging objective or provide the Fund with a positive or anticipated investment return and the use of derivatives can expose the Fund to significant risk of loss.

### ***Real Estate Investment Risks***

*Illiquidity of Real Estate Investments.* A Fund’s real estate assets are generally illiquid. In the event the Fund desires to sell any of its real estate, it may be difficult to realize an attractive price at an appropriate time or the Fund may otherwise be unable to complete a favorable exit. Return of capital and realization of gains, if any, tend to occur upon the disposition or refinancing of the underlying property. The Fund may be unable to complete an exit strategy or quickly sell its property or properties, as applicable, in response to adverse changes in its business. Certain of the Funds also intend to hold their properties indefinitely. To the extent a Fund seeks to sell any

property, the Fund may not be able to sell such property on agreeable terms, in a timely manner or at all. Such sales might also require the Fund to use working capital to mitigate or correct defects to the property or make improvements to the property prior to its sale. In the case of a multi-asset Fund, losses on unsuccessful investments may be realized before gains on successful investments, if any, are realized.

*Industrial Real Estate Sector and Geographic Concentration.* Each Xebec Fund's investments are, and likely will remain, concentrated in the industrial real estate sector, and primarily in several of the largest distribution and logistics markets in the United States. The SLR Fund is invested in one asset, the SLR Property through the SLR Venture. Such industry and asset concentration, as applicable, may expose the Fund to the risk of economic downturns in this sector to a greater extent than if the Fund's business activities included investing in other sectors of the real estate industry, and such market concentrations may expose the Fund to the risk of economic downturns in these markets. In addition to natural disasters, including, but not limited to, earthquakes, fire, tornadoes, floods, tsunamis, adverse weather or oceanic or other natural disasters, or terrorism (including cyberterrorism) or acts of war previously discussed, local conditions or disruptions that could adversely affect the Fund's results of operation may include oversupply/demand reduction for capacity, fluctuations in the availability of labor sources, energy costs, disruptions in logistics systems, and other factors.

*Competitive Market.* The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions. In particular, in light of changes in such conditions, including changes in long-term interest rates, acquisition costs, certain types of investments may not be available to a Fund on terms that are as attractive as the terms on which opportunities may have been available in other periods. The Funds will be competing for investments with other investment partnerships and corporations, financial institutions, business development companies, strategic industry investors, the public debt and equity markets and other financial investors investing directly or through affiliates, many of which have substantially greater financial resources than the Fund. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to a Fund and adversely affecting the terms upon which investments can be made. There can be no assurance that a Fund will be able to locate, consummate and exit investments that satisfy the Fund's investment objectives, or otherwise realize upon their values, or that the Fund will be able to fully invest its committed capital.

*Dependence on Major Properties and Tenants.* Revenues from one or more of a Fund's properties or tenants, as applicable, may constitute a large percentage of the Fund's total revenues, EBITDA and cash available for distribution. Financial distress may cause the tenants to fail to comply with the terms of their agreements or seek cancellation of their agreements. The bankruptcy of a tenant could prevent the Fund from collecting pre-bankruptcy debts, cause interruptions in the receipt of revenues from the tenant or result in vacancies in the Fund's properties. The financial deterioration or bankruptcy of the Fund's tenants, especially any main revenue generators, will reduce revenues at least until the Fund finds replacement tenants. These risks may be increased if revenue from a particular property depends on a single or dominant tenant. There is no guarantee that the Fund will efficiently find replacements on favorable terms. Such events may adversely affect the Fund's ability to make distributions and therefore the Fund's financial condition and results of operations.

*Volatility in Fund Value.* The value of the Fund's assets may fluctuate significantly as of the risk factors discussed above and those that follow, and may be significantly diminished in the event of a sudden downward market for real estate and real estate-related assets. The return on an investment in the Fund depends on the amount of income earned by the Fund's properties and capital appreciation generated on such properties, as well as related expenses. If properties do not generate income sufficient to meet operating expenses, including amounts owed under any third-party borrowings and capital expenditures, investment returns will be adversely affected. In addition, the cost of complying with governmental laws and regulations and the cost and availability of third-party borrowings may also affect the market value of the Fund's property or properties, as applicable, and returns on an investment in the Fund. A Fund's returns would be materially adversely affected if a significant number of tenants of any of the Fund's properties were unable to pay rent or if any properties could not be rented on favorable terms. Certain significant fixed expenditures associated with commercial properties (such as third-party borrowings, taxes and maintenance costs) may stay the same or increase even when circumstances cause a reduction in returns from such properties.

*Acquisition Risks.* Where a Fund seeks to acquire one or more properties, neither the Adviser nor the Fund can control the existence of appropriate acquisition opportunities for such Fund. When the opportunities do arise, the Fund's ability to acquire properties and businesses on favorable terms and successfully operate them may be exposed to risks typically associated with real estate acquisitions processes. Should the Fund acquire additional properties, management may be unable to quickly and efficiently integrate the new acquisitions into the Fund's existing operations. In addition, acquired properties may not generate acceptable levels of earnings or may have unknown liabilities that could adversely affect the returns on investment.

*Development, Redevelopment and Renovation Risks.* A Fund's investment strategy may be based exclusively on one or more Development Assets, or in certain circumstances may include a limited amount of Development Assets combined with investments in Stabilized Assets. In addition to the risks inherent in the ownership of any real property, risks associated with project development, redevelopment and major renovation work include: (i) risks of the availability of construction financing and the risks of construction delays (including the risks of strikes, shortages of materials, adverse weather conditions, uninsurable losses and other factors beyond the control of the Adviser or the Fund); (ii) significant cost overruns that may increase project costs; (iii) risks that the properties will not achieve anticipated sales prices or occupancy levels or sustain anticipated rent levels; and (iv) new project commencement risks, such as the failure to obtain entitlement, zoning, occupancy and other required governmental permits and authorizations and the incurrence of development costs in connection with projects that are not pursued to completion. Properties under development or properties acquired for development may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. Newly developed or newly renovated properties do not have the operating history that would allow objective pricing decisions in determining whether to invest the Fund's capital in these properties. In addition, market conditions may change during the course of development, which may make the development project less attractive than at the time development was commenced. In addition, even if the Fund successfully engages in the development of new assets, management may not be able to sell or operate the new asset successfully. Unsuccessful management of assets could result in lower than optimal occupancy rates, declines in operating margins, additional working capital needs, and subsequent deterioration in financial results and returns on investment. For all of these reasons, development,

redevelopment and renovation projects entail risks that assets may not perform in accordance with expectations and can carry an increased risk of litigation (and its attendant risks) with contractors, subcontractors, suppliers, development or operating partners and others. In addition, these risks could result in substantial unanticipated expenses or delays, and under certain circumstances, could prevent the completion of development, redevelopment or renovation activities.

*Joint Ventures.* Certain Funds hold their investments through joint ventures with third parties not affiliated with Xebec or SLR, and one or more Funds may co-invest in the future with affiliates or third parties in partnerships or other entities that own and/or develop real estate properties. All of these joint ventures and partnerships are collectively referred to as joint ventures, including joint ventures in which the Fund may not have exclusive control over day-to-day operations. In such instances, the Fund would not be in a position to exercise sole decision-making authority regarding the joint venture. Investments in joint ventures may, under certain circumstances, involve risks not present were another party not involved, including the possibility that joint venture partners might become bankrupt or fail to fund their required capital contributions. Joint venture partners may have economic or other business interests or goals that are inconsistent with the Fund's business interests or goals, and may be in a position to take actions contrary to the Fund's policies or objectives. Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither the Fund nor the joint venture partner would have full control over the joint venture. In addition, the Funds may hold managerial roles in joint venture and may be exposed to significant managerial liability as a result of such roles, without corresponding receipt of managerial compensation. Disputes between the Fund and its joint venture partners may result in litigation or arbitration that would increase the Fund's expenses and prevent the Adviser's personnel from focusing sufficient time and effort on the Fund's business. Consequently, actions by or disputes with joint venture partners might result in subjecting the Fund or properties owned by the Fund through the joint venture to additional risk. In addition, the Fund may in certain circumstances be liable for the actions of its joint venture partners. Please see the further discussions below in this Item 11 "*Relationship with Whitman Peterson*" and "*Relationship with Institutional Capital Partners*."

*Litigation Risk.* Acquisition, ownership and disposition of real property are subject to various litigation risks. Litigation may be commenced with respect to a property acquired by a Fund in relation to activities that took place prior to the Fund's acquisition of such property. In addition, litigation may arise in connection with purchase and sale transactions, development activities or operation of real property. The operation of real property can be expected to result in a wide variety of litigation exposure to tenants, employees, financing sources, insurers and others.

*Eminent Domain Risk.* Municipalities and other government subdivisions may, in certain circumstances, seek to acquire certain assets of a Fund through eminent domain proceedings. While the Fund may seek to contest these proceedings, which may be costly and may divert the attention of management from the operation of the Fund, there can be no assurance that a municipality or other government subdivision will not succeed in acquiring assets of the Fund. In such event, there is a risk that the Fund will not receive adequate compensation for the assets acquired, or that the Fund will not be able to recover all charges associated with divesting these assets.

*Construction Defects and Liabilities.* The properties in which a Fund invests may have design, construction, title, environmental, or other defects or problems that require unforeseen

capital expenditures, special repair or maintenance expenses, the payment of damages to third parties, or otherwise reduce the value of the Fund's investment. Engineering, seismic and other reports on which the Fund relies as part of its pre-acquisition due diligence investigations of these properties may be inaccurate or deficient, at least in part because defects may be difficult or impossible to ascertain. Statutory or contractual covenants, representations and warranties made by various contractual counterparties relating to properties that the Fund acquires may not protect the Fund from liabilities arising from defects, and in many circumstances the Fund may gain exposure to property on an "as-is" basis, where the Fund waives, or does not obtain, statutory or contractual covenants, representations and warranties. Furthermore, after divesting its exposure to a property in its portfolio, the Fund may continue to have statutory or contractual liability with respect to such property, including statutory warranty obligations to the purchaser if any latent defects in such property are subsequently discovered, liability relating to environmental matters, or contractual liability.

*Uninsured and Underinsured Losses.* Generally, each Fund expects to carry insurance coverage on its properties. Insurance coverage for any given property is based on diligence conducted by third-party insurance specialists and a determination as to amounts that would be adequate to cover any potential casualty losses. However, there are certain losses (such as from hurricanes, tornadoes, fire, floods, wars, terrorist attacks (including cyberterrorism), riots or earthquakes or other natural or man-made disasters or casualty events) that are not generally fully insured, or are uninsurable, because it may not be economically prudent to do so. In the event that any of the Fund's properties incurs a casualty loss that is not fully covered by insurance, the value of its assets will be reduced by the amount of any such uninsured loss, and the Fund could experience a significant loss of capital invested, thereby reducing the Fund's returns (if any). Such a loss could adversely affect the Fund's financial condition, results of operations, cash flows, and equity base. In general, losses related to terrorism (including cyberterrorism) are becoming harder and more expensive to insure against. Most insurers are excluding terrorism coverage from their all-risk policies. In some cases, the insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for a property. As a result, not all of the Fund's real estate assets may be insured against terrorism. In addition, the Fund may not have funding reserved to repair or reconstruct damaged property, and the Fund cannot assure investors that any such reserves will be established for such purposes in the future.

*Availability of Debt Capital.* A Fund's acquisition strategy and operations may include the use of leverage by the Fund. The availability of sufficient sources of debt capital upon attractive terms will be an important factor in executing on the Fund's financial and operating plans and investment strategy. Availability of this debt capital will in turn be dependent upon general economic conditions, the condition of the financial services industry and a variety of other factors that are beyond the control of the Fund. Should sufficient sources of debt capital not be available to the Fund, the financial results of the Fund would likely be materially and adversely affected. Instability in equity, debt, commodities and real estate markets may increase the risks inherent in investment in the Fund, may restrict the availability of financing for the Fund's activities and may affect the realization on exit of an investment in the Fund. To the extent that debt capital is available upon attractive terms, the Fund will be subject to the risks inherent in any business that uses debt as a significant component of its capital structure. Such investments involve a high degree of risk that adverse fluctuations in cash flow or increased interest rates may impair the

ability of such businesses to meet their obligations, which could result in a loss of all or a substantial portion of the Fund's equity investment.

*Debt Capital Restrictive Covenants.* When providing debt capital, a lender may impose restrictions on a Fund that affect the Fund's distribution and operating policies and ability to incur additional debt. Loan documents the Fund enters into may contain covenants that limit the Fund's ability to further leverage property, discontinue insurance coverage, make distributions under certain circumstances or execute business strategies. In addition, provisions of the Fund's loan documents may, among other things, terminate certain operating or lease agreements related to the property. These or other limitations may adversely affect the Fund's flexibility and ability to achieve its investment objectives.

*Access to Capital.* A Fund's success depends in substantial part on its ability, or the ability of property-owning entities and joint ventures in which it invests, to access external sources of capital, including any necessary acquisition financing, that are outside of the Fund's control and may not be available to the Fund on commercially reasonable terms or at all. Any additional debt the Fund and the entities in which it invests incurs will increase the leverage of such entity and possibly the likelihood of default. With respect to either the Fund or the entities in which it invests, access to third-party sources of capital depends, in part, on: (i) general market conditions; (ii) the market's perception of the entity's growth potential; (iii) the entity's current debt levels; (iv) the entity's current and expected future earnings; and (v) the entity's cash flow and cash distributions. In recent years, the capital markets have been subject to periodic significant disruptions. If the Fund or the entities in which it invests, cannot obtain capital from third-party sources on favorable terms or at all when desired, the Fund may not be able to acquire or develop properties when strategic opportunities exist, meet the capital and operating needs of its existing properties, or satisfy its debt service obligations. To the extent that capital is not available to acquire and/or develop properties, profits may not be realized or their realization may be delayed, which could result in an earnings stream that is less predictable than some of the Fund's competitors and result in the Fund not meeting its projected earnings and distributable cash flow levels in a particular reporting period. Failure to meet the Fund's projected earnings and distributable cash flow levels in a particular reporting period could have an adverse effect on its financial condition.

*Regulatory Approvals Specific to the Business Plan for the SLR Property.* The business plan for the SLR Property presently includes expanded permitting for the on-site use and transportation of subsurface water, permitting of a Class I municipal land fill and material recovery facility, creating a managed municipal district, and designing and obtaining construction and water storage permits for a dam to create a large reservoir. Each of these executions will require various levels of government approval, including the approval of the Texas Commission on Environmental Quality (the "TCEQ") and, as applicable, the Texas State Legislature. Governmental and other regulatory approvals such as those required to execute the business plan for the property can be highly politicized, and are subject to opposition by third parties with respect to competing rights (such as with respect to water) and the impact on the environmental. There is no assurance that the SLR will be able to obtain the regulatory approvals required on the timeline contemplated by its business plan for the property, or at all, or within budgeted amounts. To obtain the required approvals, SLR may be required to modify the business plan materially from those presently contemplated.



*Potential Limitations on Access to Water.* In regard to SLR, the SLR Venture's current cash flows and business plan depend in part on its ability to sell subsurface water to third parties. While the SLR Venture will have rights to the use of subsurface water (part of the Simsboro aquifer) based on its ownership of the property, currently determined in relation to the surface acreage owned, the amount of subsurface water to which the SLR Venture ultimately has access is regulated by groundwater conservation districts. The property's current use of subsurface water is less than the maximum to which it has access under current regulations, and the business plan for the property includes seeking approval from the applicable groundwater conservation district to expand the property's access to subsurface water for sale to third parties. While SLR does not have a reason to believe that the application for a permit for additional subsurface water would not be approved, the permit approval process by the applicable groundwater conservation district will evaluate various considerations, including local effects on existing permit holders with access to the aquifer and impact to aquifer conditions, and there can be no assurance that the applicable groundwater conservation district would approve the request for expanded use. In addition, the property's future use of water could be restricted by the applicable groundwater conservation district as a consequence of drought, aquifer drawdown and other factors outside the control of SLR.

### ***Other Risks***

*No Assurance of Investment Return.* Investors may lose their entire investment. Neither the Fund nor the Adviser, nor any other person can provide any assurance that a Fund will be able to execute on its acquisition strategy, operating plans or exit strategy. Similarly, there can be no assurance that the Funds will be able to generate returns for the investors or that the returns will be commensurate with the risks of investing in a Fund. There can be no assurance that any investor will receive any distribution from a Fund. Accordingly, an investment in a Fund should only be considered by persons who can afford a loss of their entire investment.

*Illiquid Nature of Investment.* An investment in a Fund is suitable only for certain sophisticated investors that have no need for immediate liquidity in their investment and who understand that they may lose all or a significant portion of their invested capital. Investors must be willing and able to bear the economic risk of an investment in the Fund for an indefinite period of time. An investment in a Fund is an illiquid investment with no public market.

*Investor Default.* If one or more investors in a Fund fail to fund their commitment obligations or to make required capital contributions, as applicable, the Fund's ability to complete its investment program or otherwise continue operations may be substantially impaired. In the event an investor fails to make a required capital contribution when due, it may be subject to various punitive remedies as provided in the applicable Governing Documents, including forfeiture of a substantial percentage of its interest in the Fund. The Adviser retains the discretion to employ these or other remedies in respect of an investor's default as it may determine on a case-by-case basis, in its sole discretion. There is no requirement that remedies be applied consistently among defaulting investors, and the Adviser may determine for a variety of reasons to apply different remedies to different defaulting investors.

*Uncertainty of Net Asset Values.* A Fund's net asset value, as applicable, will be calculated periodically by the Adviser for purposes of determining the applicable unit value for purchases of new units, redemption of existing units, calculation of management fees and incentive allocations

and in connection with various other material events. The determination of net asset value will include consideration of appraised values of the Fund's assets from time to time, but such appraisals are inherently subjective in certain respects and rely on a variety of assumptions, including assumptions about projected cash flows for the remaining holding periods for the investments. Furthermore, appraisals are based in large part on information as of a specific date, and market, property and other conditions may change materially after that date. Accordingly, such appraised values and the net asset value of the Fund as determined by the Adviser may not accurately reflect the actual market values of the Fund's assets after the date of appraisal. As a result, investors may make decisions as to whether to invest in or redeem units without complete and accurate valuation information, or the performance-based allocation may be overstated.

*Broken Deal Expenses.* Investments can require extensive due diligence activities and regulatory approvals prior to investment, which may entail significant third-party expenses. In the event that an investment is not consummated, a Fund may bear some or all of such third-party expenses and any termination fees, subject to any limitations set forth in the applicable Governing Documents. With respect to investments in which investors co-invest with the Fund, any investment expenses or indemnification obligations related to such investments are generally expected to be borne by the Fund and such co-investors (whether directly or through a co-investment vehicle) in an equitable manner as determined by the Adviser, in its sole discretion, and subject to legal, tax and regulatory considerations. If a proposed co-investment opportunity and/or co-investment vehicle is not consummated, the Fund will bear some or all of the costs of such proposed co-investment or that would have been allocable to such co-investment (including broken deal expenses, diligence and pursuit expenses, and other third-party out-of-pocket expenses).

*Side Letters.* A Fund and the Adviser may from time to time enter into side letters and other agreements (collectively, "*Side Letters*") with one or more investors whereby, in consideration for agreeing to invest certain amounts in the Fund or other consideration, such investors may be granted rights not otherwise afforded to any other or all investors. These Side Letters may entitle an investor to make an investment in the Fund on terms and with rights more favorable to or not available to other or all investors, including among other things with respect to (i) access to information and reporting obligations of the Fund, (ii) transfer rights, (iii) preferential withdrawal or liquidity rights, (iv) consent rights to certain acts or amendments, (v) economic incentives, (vi) purchase rights, or (vii) advisory board seats or governance rights. Such agreements will have the effect of establishing rights under, or altering or supplementing the terms of, the Governing Documents with respect to such investor. The Fund or the Adviser may enter into Side Letters with any party as the Fund or the Adviser may determine, in its sole discretion, at any time. Other investors in the Fund will not necessarily have most-favored-nation rights in respect of all or any of the more favorable terms provided to others, and investors will have no recourse against the Fund, the Adviser or any other person in the event that certain investors receive additional benefits or other rights pursuant to Side Letters that are more favorable than the terms received by all investors. To the extent required by applicable law or otherwise agreed by the Fund or the Adviser, material terms of certain Side Letters may be made available to certain investors on a redacted basis without making such terms available to all investors. Investors generally will not otherwise receive disclosure of Side Letter agreements.

*Lack of Diversification.* Many of the Funds hold investments in a limited number of properties, or even a single property. As a consequence, a Fund's aggregate returns may be

substantially adversely affected by the unfavorable performance of even a single property. Although the Adviser will attempt to minimize risk consistent with the Fund's investment strategy, each of the risks set forth under the caption "*—Real Estate Investment Risks*" become more accentuated when concentrated over a smaller portfolio of assets. On any given investment, loss of all or a portion of the investors' capital is possible. Although the Adviser with respect to multi-asset Funds generally intends to diversify its investments among different assets, no assurances can be given that the Fund will, in fact, successfully diversify its investments.

*Effect of Fees and Expenses.* Generally, Funds are expected to directly pay or reimburse the Adviser for various expenses, in addition to any recurring management fees and/or administrative fees, as applicable. These fees and expenses in the aggregate are expected to be substantial and will reduce actual returns on investments in real estate assets realized by Fund investors, and will be paid regardless of whether the Fund produces positive investment returns. If the Fund does not produce significant positive investment returns, the fees and expenses paid by the Fund could reduce the amount of the investment recovered by an investor to an amount less than the amount invested in the Fund by an investor. See further discussion above in Item 5 "*Fees and Compensation*" in this Brochure.

*Other Business Activities of the Adviser.* Certain of the Funds' Governing Documents place only limited restrictions upon the business activities that the Adviser and/or its personnel may pursue, where such activities might be viewed to be directly competitive with those of the Fund. For these Funds, the Adviser and its personnel are otherwise free to engage in such other business activities as they desire. Neither the Fund nor its investors will, by purchasing the interests in the Fund, acquire an interest, direct or indirect, in such other business activities. Certain Funds may have priority rights and/or exclusivity rights not shared by other Funds, even where those other Funds have overlapping investment mandates and would benefit from such priority or exclusivity. Please see the further discussion above in Item 5 "*Conflicting Activities of Xebec and SLR Generally – Conflicting Activities of Xebec and SLR Personnel; Allocation of Time.*"

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## **ITEM 9      DISCIPLINARY INFORMATION**

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None of the Advisers and their management personnel have been subject to any material legal or disciplinary events.

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## **ITEM 10      OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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Xebec Asset Management is affiliated with each of the other Advisers, each of which is registered under the Advisers Act pursuant to Xebec Asset Management's registration as an investment adviser in accordance with SEC guidance. These affiliated investment advisers operate as a single Advisory business together with Xebec Asset Management and serve as managers, managing members or general partners of private investment funds and other pooled investment vehicles and may share common owners, officers, partners, employees, consultants or persons occupying similar positions. All of the Advisers are subject to Xebec Asset Management's code of ethics and compliance programs adopted pursuant to the requirements of the Advisers Act.

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

***Code of Ethics***

The Advisers have adopted a Code of Ethics and Securities Trading Policy (the “**Code**”), which sets forth standards of conduct that are expected of the Advisers’ principals, employees and, in certain instances, their “covered” family members living in the same household and addresses conflicts that may arise from personal trading of securities. The Code requires Xebec and SLR personnel and their covered family members to report their personal securities transactions, requires pre-clearance for Xebec and SLR personnel and their covered family members for directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering or private placement, and, with limited exceptions, in other pre-identified restricted securities, without first obtaining approval from Xebec’s Chief Compliance Officer. A copy of the Code will be provided to any client, prospective client or any investor in a Fund upon request to the Advisers’ Chief Compliance Officer, at [compliance@xebecrealty.com](mailto:compliance@xebecrealty.com).

Xebec, SLR, and their personnel may, from time to time, come into possession of material nonpublic or other confidential information about public companies which, if disclosed, might affect a Fund investor’s decision to buy, sell or hold a security. Under applicable law, the Advisers and their personnel are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is an investor in a Fund that is a client of the Advisers.

Accordingly, should the Advisers or their principals or employees come into possession of material nonpublic or other confidential information with respect to any public company, the Advisers are prohibited from communicating such information to Fund investors, and the Advisers have no responsibility or liability for failing to disclose such information to Fund investors as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Xebec’s or SLR’s personnel serving as directors of public companies and may restrict trading on behalf of the Funds. Although the Advisers presently do not intend for Funds to invest in and/or trade securities, in the event a Fund in the future includes a strategy to trade securities, because of these restrictions, the Funds may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell an investment that they otherwise might have sold.

***Certain Conflicts of Interest***

*Conflicts of Interest Generally.* Investors should be aware that there will be situations when the Advisers and/or a Fund may encounter potential conflicts of interest in connection with the Fund’s investment activities. The following discussion details certain potential conflicts of interest that should be carefully considered before making an investment in the Fund. Please also see the discussion above in Item 5 “*Conflicting Activities of Xebec and SLR Generally.*” The Advisers can give no assurance that any conflicts of interest will be resolved in favor of any given Fund. By acquiring interests in a Fund, each investor will be deemed to have acknowledged the existence of such actual and potential conflicts of interest, to have consented to the potential conflicts and to have waived any claim with respect to any liability arising from the existence or resolution of any such conflict of interest. Inherent and potential conflicts of interest in the operation of a Fund’s business could negatively affect the economic performance of the Fund, and

the Fund's affiliates may maintain relationships with (which may include investments in) financial institutions, transaction counterparties or service providers that may engage in transactions with or provide services to, the Fund.

*Affiliate Transactions; Other Activities of Xebec Holdings.* A Fund's ability to acquire investments may be limited as a result of the Adviser's duties to other Funds or under applicable law or by the Adviser's intention to avoid certain potential conflicts of interest. Similarly, the Adviser may be required to take certain actions due to such duties and potential conflicts. The Adviser's investment professionals and other employees also may have conflicts in allocating their time and services among the Fund and the other Funds advised or managed by the Adviser, now or in the future.

*Allocation of Investment Opportunities by Xebec and SLR; Overlapping Accounts.* Other Xebec/SLR Sponsored Ventures have or may in the future have similar or overlapping investment strategies to those of a Fund ("**Overlapping Accounts**"). Because the Overlapping Accounts have similar investment strategies, they may seek to invest in assets that would also be appropriate for acquisition and investment by a particular Fund. While Xebec and SLR may present a Fund with the opportunity to co-invest with an Overlapping Account in certain assets and development opportunities, Xebec and SLR may also allocate investment opportunities exclusively to a particular Fund or an Overlapping Account to the detriment of any other Fund. The investment policies, fee arrangements and other circumstances of a Fund may vary from those of the Overlapping Accounts. As a result, the Overlapping Accounts create potential conflicts in the allocation of investment opportunities among a Fund and the Overlapping Accounts, both with respect to the competition over limited opportunities as well the potential for different fees and other benefits to Xebec and SLR.

*Reliance on Approvals of Others for Resolution of Certain Conflicts.* Certain Funds may allow for the appointment of a limited partner advisory committee ("**Advisory Committee**") and/or an independent client representative ("**Independent Client Representative**") to provide advice and counsel as requested by the Advisers regarding certain conflicts of interest and other matters. The Advisory Committee or the Independent Client Representative, where applicable, may be authorized to provide any consent (including any "client" consent) required under the Advisers Act, including in connection with any affiliated or conflict transactions or any "assignments" (as that term is defined under the Advisers Act). If the Advisory Committee or the Independent Client Representative consents to a particular transaction or waives a particular conflict of interest, or Xebec otherwise acts in a manner, or pursuant to the standards and procedures, approved by the Advisory Committee or the Independent Client Representative with respect to such conflict of interest, then none of Xebec, the Advisers or any of their personnel will have any liability to the applicable Fund or its investors for such actions taken by them in good faith, including actions in pursuit of their own interests, subject to compliance with the Advisers' obligations as registered investment advisers. The Advisory Committee members and the Independent Client Representative do not owe fiduciary or other duties to the investors or the applicable Fund in connection with these determinations. The investors comprising any Advisory Committee are entitled to act in their own interest, which may conflict with the interests of other investors. In addition, although any Independent Client Representative will not be a person that controls or is controlled by Xebec, the Independent Client Representative is not required to meet strict independence requirements and may have other interests in Xebec, or relating to Xebec that create

conflicts of interest on the part of such Independent Client Representative. An Independent Client Representative is not required to be free of conflicts of interest to serve in such role.

*Co-Investment Opportunities.* The Advisers may provide co-investment opportunities to any person, including investors in any Fund, strategic investors, lenders, other third-parties or Xebec, SLR, and their affiliates. In connection with these opportunities, the Advisers may determine that a co-invest opportunity should be offered to one or more co-investors (the “**Co-Investors**”) and will maintain discretion with respect to which Co-Investors are offered any such opportunity and in what amounts. Each co-investment opportunity (should any exist) is likely to be different, and allocation of each such opportunity will depend on the facts and circumstances specific to that unique situation. Interests of Co-Investors may conflict with the interests of the Funds. Co-Investors generally will not share in broken-deal expenses with any Fund (such amounts instead being borne by the applicable Fund), and such expenses may be significant.

*Performance-Based Incentive Fees, Participations and Allocations.* A Fund’s Performance-Based Fees, if any, may create an incentive for the Adviser to cause the Fund to make riskier or more speculative investments than would otherwise be the case. In the case of Funds providing the Adviser with a performance-based incentive allocation, the amount of the incentive allocation is typically calculated based on the unrealized fair market value of the Fund’s assets and/or net equity over the applicable measurement period, which could result in a valuation for purposes of determining the incentive allocation that exceeds any cash value ultimately achieved. The incentive allocation is typically not subject to a claw back obligation. Therefore, it is possible that an investor’s return might fall below the applicable hurdle return after an incentive allocation has been paid.

In addition, the Advisers may be permitted to borrow from a particular Fund any amounts that have been earned as a performance-based incentive allocation without taking a distribution of such amounts from the Fund or redeeming any equity interests awarded in respect of such performance-based incentive allocation. If the Adviser continues to own the equity interest that otherwise might have been redeemed, the Adviser will retain the opportunity to participate in any appreciation in the value of the equity while also having use of the cash amounts borrowed. There is also a risk that any loan made to the Adviser will end up exceeding the value of the equity against which the loan is taken and that the Adviser will be unable to repay the loan in full.

*Divergent Interests Among Investors.* The investors in any Fund may include investors with a range of tax and regulatory profiles, including U.S. taxable and tax-exempt entities, non-U.S. investors and high-net-worth individuals, among others. Xebec, SLR, and/or their related entities and personnel currently hold and may in the future hold interests in the Funds as investors therein. The interests of such persons and entities in certain of the Funds are substantial and may continue to be substantial in the future. Such interests are typically full voting interests and the vote of such persons or entities may control or substantially influence the outcome of any matter for which the vote, consent or approval of investors is required. Any of such persons or entities, in its capacity as an investor, may act in its own self-interest in connection with any vote, consent or approval of investors, notwithstanding that its interests may diverge from or conflict with the interests of other investors. Each investor in any Fund must accept the risk that decisions of the investors could be influenced or controlled by one or more of Xebec, SLR, their related entities or personnel, or by Whitman Peterson or another institutional capital partner, as applicable, and that such decisions

could be unfavorable to other investors. Please see the further discussions below in this Item 11 “*Relationship with Whitman Peterson*” and “*Relationship with Institutional Capital Partners*.”

The investors may have conflicting investment, tax and other interests with respect to their investments in any Fund. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the Fund and the structure, timing or manner of the acquisition or disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the Advisers that may be more beneficial for one investor than for another, especially with respect to the tax consequences to individual investors. In selecting and structuring investments appropriate for a Fund, the Advisers will consider the investment and tax objectives of the Fund and its investors as a whole, not the investment, tax or other objectives of any individual investor, and as a result investment results could differ among investors.

*Relationships with Investors, Service Providers and Other Counterparties.* A Fund’s investors or their affiliates may include (i) companies with significant business interests within the real estate industry, including insurance and other risk management companies, banks and other financial institutions, public and private pension plans or private endowments, or (ii) service providers providing valuation services, placement services and/or other services, and in either case these companies may provide services to a Fund, Xebec, SLR, another Xebec/SLR Sponsored Venture, and/or members of Xebec’s and SLR’s management and/or their outside business interests. In addition, these companies, and their investors and/or management, may have a direct or indirect interest in one or more investments owned by a Fund, Xebec, SLR, another Xebec/SLR Sponsored Venture, and/or members of Xebec’s and SLR’s management and/or their outside business interests, or they may hold interests in one or more of the Advisers, Xebec, SLR, the Funds or another Xebec/SLR Sponsored Venture. For example, one or more investors or their affiliates may be lenders or service providers to a Fund, Xebec, another Xebec Sponsored Venture and/or members of Xebec’s management and/or their outside business interests, or may act as a co-investor, lender or otherwise participate in the financing of an investment in which any such person participates. Any of these service providers that invest in a Fund will have differing interests than other investors in such Fund in light of their other relationships with Xebec, such Fund, other Xebec Sponsored Vehicles, and/or members of Xebec’s management and/or their outside business interests. In addition, the services provided by these companies may be in conflict with the other interests of such companies in light of their other relationships with the Advisers, Xebec, the Funds or other related entities. Any of these advisors, consultants or other service providers that are investors may also serve on any Advisory Committee for a Fund, and may act in their own self-interests in serving in such role, notwithstanding that their interests may diverge from or conflict with the interests of other investors. Such service providers have no obligation to act in the best interest of a Fund in their capacity as an investor when exercising any votes, consents or approvals in that capacity.

In addition, various other counterparties with which a Fund will interact may have other relationships with Xebec, SLR, another Xebec/SLR Sponsored Venture and/or members of Xebec’s and SLR’s management and personnel unrelated to the business of such Fund. This could result in any of such Fund, Xebec, SLR, another Xebec/SLR Sponsored Venture and/or members of Xebec’s and SLR’s management or personnel becoming involved in disputes or even litigation with one or more of such Fund’s service providers or investors, or their affiliates, including with respect to matters unrelated to such Fund, and such Fund’s opportunities and investments may be

adversely affected. Please see the discussion above in Item 5 “*Conflicting Activities of Xebec and SLR Generally.*”

*Relationship with Whitman Peterson.* Certain Xebec affiliates participate in a joint venture relationship with affiliates of Whitman Peterson. Whitman Peterson is a separate real estate private equity firm that invests in and actively manages opportunistic real estate investments on behalf of institutional investors. Pursuant to this joint venture, Whitman Peterson affiliates participate with Xebec affiliates in various Development Asset deals, which may impact the activities of certain Funds that pursue Development Assets. Whitman Peterson affiliates have extensive approval, control and veto rights in connection with Development Assets in which Whitman Peterson affiliates participate. Whitman Peterson affiliates also have a multi-faceted relationship with Xebec affiliates, including as an investor in Xebec and a co-investor in other Xebec Sponsored Ventures, which may create certain conflicts of interest with the interests of Whitman Peterson affiliates in development ventures with Funds. Whitman Peterson affiliates may have different goals and may not be aligned with Xebec or the Funds in all respects; and Whitman Peterson affiliates do not have any obligation to exercise their approval, control or veto rights in the best interests of any Fund. In addition, Xebec may have incentives to make certain investment decisions in a manner that is more favorable to Whitman Peterson, or in a manner that favors certain Funds in which Whitman Peterson affiliates participate, in order to preserve that relationship.

*Relationship with Institutional Capital Partners.* Certain Xebec and SLR affiliates participate in a joint venture relationship with Institutional Capital Partners, such as Oaktree Capital Management and Bentall GreenOak. Such institutional capital partners are separate real estate investment management firms that invest in and actively manage real estate investments on behalf of institutional investors. Pursuant to their respective joint venture arrangements, each institutional joint venture partners participates with Xebec and/or SLR affiliates in various Development Asset deals and Stabilized Assets deals, which may impact the activities of Funds that pursue Development Assets and/or Stabilized Assets. These institutional capital partners have extensive approval, control and veto rights in connection with Development Assets and Stabilized Assets in which they participate. The participation by an institutional capital partner in both Development Assets and Stabilized Assets also creates certain potential conflicts of interest in respect of the purchase and sale of Development Assets and/or Stabilized Assets across Funds. Each institutional capital partner may have different goals and may not be aligned with Xebec, SLR, or the Funds in all respects; and the institutional capital partner does not have any obligation to exercise its approval, control or veto rights in the best interests of any Fund. In addition, Xebec and SLR may have incentives to make certain investment decisions in a manner that is more favorable to the institutional capital partner, or in a manner that favors certain Funds in which the institutional capital partner may participate, in order to preserve that relationship. While Xebec and SLR view these institutional capital partnership relationships as being an overall benefit to the Funds, in connection with these relationships, certain Funds assume managerial liabilities that could result in significant risk and costs to such Funds.

*Service Providers.* Please see the discussion above in Item 5 “*Arrangements with Third-Party Service Providers to Xebec.*”

*Use of Placement Agents.* The Funds or the Advisers may engage placement agents in respect of the offering of interests in any Fund to certain prospective investors. Any placement



agent acts for the Fund or the Adviser and not as an investment advisor to prospective investors in connection with the offering of interests in the applicable Fund. In making an investment decision, prospective investors should be aware that a placement agent would generally be paid a placement fee based upon the amount of capital committed to a Fund by investors that the placement agent introduces to such Fund. Any placement agent fees and expenses will generally be borne by the Fund. In the event any placement agent is engaged in respect of a Fund, prospective investors should also note that at various times the placement agent may act as placement agent for other investment vehicles and their sponsors, including investment vehicles and their sponsors that are not affiliated with Xebec or SLR that may offer interests that are similar to the interests being sold in the applicable Fund. Any unaffiliated investment vehicles and their sponsors may pay placement fees on terms different from the fees placement agents may receive from the applicable Fund, and the differences in fees may influence a placement agent's decision to introduce prospective investors to such Fund. A placement agent may also seek to do business with affiliates of, or earn fees or commissions (such as in connection with financing or investment banking services, lending or arranging credit, or other transactions) from investments in, one or more Funds, Xebec, SLR, or other Xebec/SLR Sponsored Ventures. Accordingly, prospective investors should recognize that each placement agent's participation as a placement agent for interests in any Fund may be influenced by its interest in such current or future fees and commissions. Prospective investors should also be aware that affiliates or employees of a placement agent could invest in a Fund on their own behalf and/or on behalf of their clients. Prospective investors must independently evaluate the offering and make their own investment decisions. Each prospective investor should carefully consider these issues in making its investment decision in connection with an investment made through a placement agent.

*Use of Subscription Lines.* The Funds may in the future fund investments with proceeds from drawdowns under one or more revolving credit facilities (the collateral for which can be, for example, the undrawn capital commitments of investors, *i.e.*, subscription lines) prior to calling capital commitments. The interest expense and other costs of any such borrowings will be borne by the relevant Fund and, accordingly, may decrease net returns of the Fund. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the relevant Fund. In light of the foregoing, the Advisers have an incentive to cause such vehicle to borrow in this manner in lieu of drawing down capital commitments, subject to the operating and offering documents of each Fund.

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## ***ITEM 12*      **BROKERAGE PRACTICES****

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Because the Advisers render advice to private funds, and real estate investments are made on a negotiated basis, opportunities for trade executions in public securities are rare. On those rare occasions that the Advisers may engage in public securities transactions, to the extent they do so, they intend to follow the "best execution" brokerage practices described below.

If the Advisers buy or sell publicly-traded securities on behalf of a Fund the Advisers may retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Funds and/or their portfolio companies. In such instances, the applicable Adviser is responsible for directing orders to broker-dealers to effect the securities transactions. In selecting a broker to execute client transactions, the Adviser may consider a variety of factors in seeking to

obtain best execution, including, among other things: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; (iv) responsiveness to requests for trade data and other financial information; and (v) the Adviser's overall relationship with the broker-dealer, including past transaction experiences.

No Adviser has any duty or obligation to seek competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although each Adviser generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services. As a result, although the Advisers generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not necessarily select the broker-dealer or investment bank that charges the lowest commission or fee for such services.

Consistent with the Advisers seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although the Advisers generally do not make use of such services at the current time and have not made use of such services since their inception.

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***ITEM 13*      REVIEW OF ACCOUNTS**

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The Adviser closely monitors the Funds' investments and evaluates potential dispositions and other means of adding value for investors with respect to the invested assets. Xebec Holdings and SLR officers, including Mr. Kendrick, serve on the investment committee of the Advisers and work closely with other Xebec and SLR professionals to oversee and monitor the operations, financial performance and strategic direction of each Fund and its investment(s). Whitman Peterson affiliates and BGO also have oversight and approval rights with respect to various investments for certain of the Funds.

The Funds provide their investors with such reports and financial statements as required by a Fund's Governing Documents, including (i) annual GAAP financial statements, which may be audited, (ii) quarterly unaudited financial statements and (iii) annual tax information necessary for each investor's tax return. Investors in a Co-Invest Vehicle generally receive similar information, including annual financial statements. In addition to the information provided to all investors, the Advisers may provide certain investors, pursuant to Side Letters with such investors, with additional information or more frequent reports that other investors may not receive.

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***ITEM 14*      CLIENT REFERRALS AND OTHER COMPENSATION**

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From time to time, the Advisers may enter into arrangements pursuant to which they compensate third parties for referrals that result in a potential investor becoming an investor in a Fund. As of the date of this Brochure, the Advisers have not compensated third parties for potential investor referrals.

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**ITEM 15 CUSTODY**

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The Advisers use a qualified, unaffiliated third-party custodian to hold the Funds' cash and, to the extent required pursuant to the Advisers Act and SEC guidance, securities. In addition, the Funds typically will be audited annually by an independent accounting firm that is registered with, and subject to regular review by, the Public Company Accounting Oversight Board. The audited financial statements are then provided to Fund investors within 120 days of the end of the fiscal year.

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**ITEM 16 INVESTMENT DISCRETION**

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The Advisers generally have discretionary authority to manage investments on behalf of each Fund pursuant to the respective Governing Documents, subject to various consent, approval and veto rights of one or more significant joint venture partners not affiliated with Xebec or SLR. The Advisers assume this discretionary authority pursuant to the terms of the Fund's Governing Documents.

Generally, a Fund's Governing Documents do not place limitations on this authority except with respect to various consent, approval and veto rights of one or more significant joint venture partners not affiliated with Xebec or SLR. Pursuant to the terms of the applicable Governing Documents, the Fund and the Advisers may in the future enter into Side Letters with certain investors whereby the terms applicable to such investor's investment in a Fund may be altered or varied, including, in some cases, to provide for reduced fees or the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. See also discussion under the caption "*Item 8 Methods of Analysis, Investment Strategies and Risk of Loss—Other Risks—Side Letters*" in this Brochure.

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**ITEM 17 VOTING CLIENT SECURITIES**

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To the extent that a Fund has voting rights attributable to the Fund's investment in any entity, the managing member or general partner of the Fund, which may be an Adviser, will typically exercise the voting rights with respect to such interest, subject to various consent, approval and veto rights of one or more significant joint venture partners not affiliated with Xebec or SLR. In connection with the exercise of these voting rights, the Advisers have adopted Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how they vote the interests, by investor proxy or otherwise, for any Fund's portfolio investments. The Proxy Policy seeks to ensure that the Advisers' vote the interests in the best interest of the Funds, including in situations where there may be material conflicts of interest. The Advisers believe their interests are generally aligned with those of the Funds' investors, including through the Advisers' and/or their principals' capital commitments and/or investments, and therefore will not seek Fund investor approval or direction when voting proxies. However, the Proxy Policy sets forth certain specific voting guidelines for when the Advisers do vote interests on behalf of a Fund. In addition, the rights of significant joint venture partners not affiliated with Xebec or SLR are not subject to any alignment with the interests of other investors in the Funds and these joint venture partners may exercise their votes in their own best interests and in their sole discretion.

In the event a property-owning entity of any Fund has a board of directors (or the equivalent), the Advisers do not consider service on such portfolio company board by Adviser personnel, or their receipt of management or other fees from the property-owning entity, to create

a material conflict of interest in voting proxies with respect to such property-owning entity. In the event that there is a conflict of interest between an Adviser and a Fund in voting interests, the Proxy Policy provides that the Adviser addresses the conflict using certain procedures, including by seeking the approval or concurrence of the Fund's Advisory Committee or Independent Client Representative(s), as applicable, to the proposed proxy vote or through other alternatives set forth in the Proxy Policy.

A copy of the proxy voting record for proxies voted on behalf of a Fund will be made available to Fund investors upon written request. A copy of the Advisers' Proxy Policy will be provided to any Fund investor or prospective Fund investor upon written request to Xebec's Chief Compliance Officer, at [compliance@xebecrealty.com](mailto:compliance@xebecrealty.com).

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***ITEM 18***      **FINANCIAL INFORMATION**

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None of the Advisers requires prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure. None of the Advisers has been the subject of any bankruptcy petition.