

**Disclosure Brochure**  
**(Form ADV, Part 2A)**

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**This brochure provides information about the qualifications and business practices of Cabot Properties L.P. If you have any questions about the contents of this brochure, please contact us at (617) 723-7400 or [contactus@cabotprop.com](mailto:contactus@cabotprop.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. That the firm is registered is not intended to, and does not, imply a certain level of skill.**

**Additional information about Cabot Properties L.P. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2.       Material Changes**

There have been no material changes since the previous Brochure annual amendment dated March 29, 2021. This Brochure includes certain clarifying information, including information about certain fees and expenses, and updates risk disclosures which could affect Cabot's services.

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#### **Item 4. Advisory Business**

Cabot Properties, Inc. (“Cabot”) is a private equity real estate investment firm that has been in business for over three decades. Cabot is the general partner of Cabot Properties L.P. (together with its affiliates and in the form of predecessors, the “Adviser”), which has been in business since 1986. The Adviser is the shareholder of Cabot Partners Limited (“CPL”), a limited company organized under the laws of England and Wales, as well as Cabot Partners Australia Pty Ltd, an Australian proprietary company, (“CP AUS”) and Cabot Partners Netherlands Coöperatief U.A., a Dutch Cooperative (“CP NL”). The Adviser provides real estate investment advisory and management services to real estate investment vehicles in the forms of sponsored private investment funds (“Funds”), client investment funds, or separately managed accounts, and may offer services for the purposes of co-investment or with respect to joint ventures (all such vehicles and accounts collectively with the Funds, “Clients”). The Adviser has established the Funds and related investment vehicles including real estate investment trusts (“REITs”) and other related entities that ultimately own real property assets. The Adviser generally uses controlled, affiliated entities to serve as the general partner or managing member of its Funds and their related entities. The Adviser targets institutional investors, such as university endowments, pension and profit-sharing plans, other tax-exempt entities, corporations and other business entities, and private institutional investors, to invest in Cabot-sponsored real estate investment vehicles.

CPL provides investment advice to the Adviser and indirectly to the Clients advised by the Adviser with respect to UK and European real estate assets, however the Adviser retains discretionary authority over Fund investments. CPL does not have a direct contractual relationship with any separate account Clients. CP AUS provides investment advice to the Adviser and with respect to Australian real estate assets, however the Adviser retains discretionary authority over Fund investments. CP AUS does not have a direct contractual relationship with any separate account Clients. CP NL provides investment advice to the Adviser and with respect to Dutch real estate assets, however the Adviser retains discretionary authority over Fund investments. CP NL does not have a direct contractual relationship with any separate account Clients.

The services of the Adviser include or have included:

- Acquiring and developing industrial properties, such as bulk warehouses, multi-tenant properties and light industrial properties located in strategic and super-regional markets;
- Recommending short-term cash management instruments (*e.g.*, money market mutual funds and other short-term instruments) for accumulated funds awaiting investment;
- Property management and/or oversight of third-party property management, including maintenance and repairs, collections, disbursements and fulfillment of owner obligations under leases;

- Construction management services and/or oversight of third-party construction management services, which includes developing detailed plans and negotiating construction agreements;
- Negotiating leases with industrial tenants;
- Continuous portfolio supervision, which includes reviewing budgets and recommending expenditures to improve or upgrade properties;
- Recommending the sale of properties, as appropriate;
- Negotiating property sales and overseeing the documentation of purchase and sale transactions;
- Recordkeeping relating to each property;
- Facilitating appraisals and audits; and
- Providing periodic reports and meetings with investors as required.

Generally, Cabot forms the Funds, which are generally real estate limited partnerships, and other investment entities in which institutional investors may invest. Typically, investors must commit a minimum of \$10 million to invest in the Funds, although the general partner of each Fund has the discretion to accept smaller commitments. Although the Adviser typically enters into advisory agreements with an affiliated general partner or member manager of the investment vehicles, the Adviser considers the investment vehicle to be its Client for purposes of the Investment Advisers Act of 1940 (the “Advisers Act”). The Adviser currently renders advice on a discretionary basis to real estate investment vehicles including Cabot Industrial Core Fund II, L.P., Cabot Industrial Core Fund III, L.P., Cabot Industrial Value Fund VI, L.P., CIVF VI Development Fund, L.P., CIVF VI Australia, L.P., CIVF, VI-A Australia, L.P. and Cabot UK Core-Plus Industrial Fund, SCSp,<sup>1</sup> and on a non-discretionary basis to separately managed accounts for pooled investment vehicles, as well as to Cabot Industrial Opportunity Fund I, L.P. and Cabot UK Industrial Opportunity Fund I, L.P. The Adviser may sponsor other Funds and offer co-investments, joint ventures, and other separately managed accounts in the future.

As of December 31, 2021, the total gross assets, including cash but excluding uncalled commitments, of all Client accounts collectively, was \$3,742,092,453 which constitutes the assets under the management of the Adviser.<sup>2</sup> Of the total gross assets as of December 31, 2021,

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<sup>1</sup> The Adviser is in the process of dissolving Cabot Industrial Value Fund V, L.P., following the sale of its real estate assets in 2021. Any assets attributable to this Fund as of 12/31/21 are included in the Adviser’s assets under management.

<sup>2</sup> The Adviser and its affiliates also provide non-discretionary asset management services to two third parties which purchased separate portfolios of real estate assets from Cabot. In one such relationship, Cabot committed capital and provides accounting and other services pursuant to an operating agreement. In another relationship, Cabot did not commit any capital and does not perform any accounting or have access to the current books and records related to such assets. In another relationship, Cabot committed capital and does not perform any accounting or have access to the current books and records related to such assets. Cabot has not committed to identifying additional

\$3,258,554,255 was managed on a discretionary basis and \$ 483,538,197 was managed on a non-discretionary basis.

## **Item 5. Fees and Compensation**

**Prior to investing, each investor is asked to carefully read and review the particular Client's offering and/or governing documents for a complete understanding of the terms related to the Client, including the compensation received by the Adviser and its affiliates. The information contained in this Brochure is only a summary and is qualified in its entirety by each such Client's offering and/or governing documents.**

Certain Fund governing documents permit the Adviser or its affiliates to reduce fees applicable to an underlying investor in the Fund in the discretion of the Adviser or its affiliates. In addition, the Adviser and its affiliates have entered into and will enter into side letters or similar agreements with certain Fund investors. Such side letters have the effect of providing additional rights or supplementing certain rights or terms of a particular Fund's governing documents as they relate to certain investors.

As of December 31, 2021, Cabot has previously negotiated, or is currently the recipient of, the following types of fee and compensation for its investment advisory services:

- Acquisition or onboarding fees of up to 1 percent of investment cost;
- Development fees of up to 5 percent of development costs;
- Annual management fees of up to 1.5 percent, payable monthly, on:
  - (i) committed capital prior to the end of a particular investment period; and
  - (ii) unreturned capital after the investment period;
- Annual asset management fee at the property level of up to 7 percent based on the net operating income generated by the particular portfolio for separate account Clients;
- Property management fees of up to 5 percent of gross revenues of the Client's managed real estate assets. Property management fees may vary based on the requirements of the particular property. In certain instances where property management services are delegated to an unaffiliated third-party manager, Adviser may retain property management accounting and collect an associated fee, with the remaining overall applicable fee paid to the third-party service provider;

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investments for these relationships but may assist with non-discretionary disposition decisions. The Adviser does not consider the services for these relationships to include investment advice with respect to securities, and therefore the Adviser does not include such assets in its assets under management.

- Construction management services fee up to 3 percent of the construction work to be performed at a property by a third-party vendor;
- Disposition fees of up to 0.5 percent of the gross sales price of each real estate asset, in the case of asset sales by separate account Clients;
- Performance-based fees of up to between 15 and 20 percent of the base distributions paid to the client from real estate assets (*see* Item 3 regarding Performance-Based Fees and Side-By-Side Management); and
- Fixed fees in terms of maximum fees related to acquisition and other fees, for certain private separate account Clients.

The Adviser may withhold certain fees attributable to entities which are wholly-owned by the Funds; such fees will be offset against the applicable management fee for the Fund as appropriate. The Adviser generally does not charge fees in advance.

In addition to the Adviser's fees discussed above, cash management transactions may generate expenses related to portfolio transactions which would be borne by clients. *See* Item 9 regarding Brokerage Practices. Additionally, the Funds directly, and the limited partners of the Funds indirectly, may bear formation and operational expenses related to the Funds or entities through which a Fund invests. Such expenses will include, but not be limited to, i) costs, fees and all out-of-pocket expenses, including travel and lodging costs, related directly or indirectly to the investigation of investment opportunities (whether or not consummated and including fees relating to unconsummated transactions where an investment vehicle was entering into such transactions with the intention of selling part of its interest to a co-investor), as well as the acquisition, ownership, leasing, development (including incentive payments to developers), financing, hedging or sale of investments; (ii) taxes, fees and other governmental charges; (iii) legal, auditing, consulting, bookkeeping, banking, custodian, administration, depository, payment agency, transfer agency, domiciliation, central administration, valuation and accounting fees and expenses; (iv) all expenses in connection with meetings with, and of, limited partners or investors, including post-commitment meetings for purposes of investor relations, a Fund's board of advisors or property tenants, including travel expenses and expenses of preparing materials; (v) expenses associated with any amendment to a Funds' governing documents or soliciting the approval or consent of the limited partners or the limited partnership's board of advisors for any matter; (vi) fees and expenses associated with any audit or governmental proceeding relating to a Fund, its subsidiaries or their investments; (vii) all expenses associated with any indemnification provided a Fund or its subsidiaries; (viii) costs and expenses associated with permitted indebtedness of a Fund or its subsidiaries, including any subscription secured credit facility (including interest expenses); (ix) fees and expenses of any required third party alternative investment fund manager required under the AIFMD or similar law; (x) expenses of a fund's board of advisors and investment committee, insurance, litigation expenses; (xi) insurance costs and premiums; (xii) all fees, expenses, payments and reimbursements relating to any litigation, arbitration, proceeding or other action (whether pending or threatened) involving an investment vehicle, its subsidiaries or their investments; (xiii) expenses associated with the preparation and distribution of reports, tax filings, tax returns, and other materials for distribution to a Fund's limited partners, investors or the board of advisors; (xiv) fees and expenses related to

the organization, maintenance or operation of any investment vehicle subsidiary, co-investment vehicle or joint venture; (xv) any extraordinary expenses; (xvi) taxes (other than taxes which are expressly designated as being borne by one or more investor pursuant to the Fund's governing documents), fees and other governmental charges, fees and expenses relating to any regulatory or governmental reports or filings in respect of the Funds or its operations and fees and expenses associated with the Funds' "environmental, social and corporate governance" strategies, programs or initiatives, including any related reports or filings; and (xvii) all other fees and expenses necessary for the operations and administration of a Fund, its subsidiaries, and their investments. For the avoidance of doubt, any travel expenses described herein include certain expenses associated with business class or first-class travel. Cabot reviews Fund expenses and generally allocates such expenses to each of the Funds generating the expense items in equal shares.

The Adviser and its affiliates bear general overhead expenses and compensation of their employees. Expenses related to separate account Clients are negotiated with each such Client and certain expenses attributable to such separate account Clients are borne by the Adviser pursuant to Client agreements.

Certain expenses, such as the cost of insurance policies, may be borne across multiple Clients and the Adviser, in which case the Adviser will allocate such expenses among itself and participating Clients as it determines in its good faith discretion to be appropriate.

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

### *Performance Fees*

As explained above, Cabot assesses performance-based fees to certain of its Clients. Such performance fees are structured to comply with Rule 205-3 under the Advisers Act, meaning that each investor in a private investment vehicle subject to performance fees must be a "qualified client," as defined by the rule.

In any particular strategy or for any particular Client, there may be differences in the structure of the carried interest. Differences in the performance fee structure create potential conflicts in that Cabot could have greater incentive to favor Clients having the most profitable performance fee structure versus other Clients that have a lower or no performance fee structure. These potential conflicts, however, are practicably mitigated by various limitations common to private equity structures. For example, allocations of investment opportunities are subject to organizational limitations on the creation of successor investment vehicles. That is, before Cabot may permissibly raise a new investment vehicle with the same investment strategy, a predecessor vehicle must be substantially committed (typically at least 80% committed) before Cabot may raise a new investment vehicle seeking similar real estate investment opportunities. Prior to any commitments to an investment vehicle, Cabot discloses that no investment vehicle constitutes the exclusive investment program of the firm.

### *Side-by-Side Management*



The Adviser has established its Investment Allocation Policy and Procedures which provide that the Funds have priority (according to investment strategy and legacy) over other investment vehicles and separate account Clients in situations where an investment meets the eligibility requirements for multiple Funds or separate account Clients. As a result, although the Adviser seeks to allocate investment opportunities in a fair and equitable manner, decisions as to the allocation of investment opportunities which present conflicts of interest may not always be resolved in a manner that is favorable to the interests of a particular Fund or separate account Client. The Adviser has also established a Competitive Leasing Policy to outline procedures to be followed in the event that a prospective tenant is interested in leasing space and more than one Client can offer such leasing opportunity under similar criteria (e.g., geography, vacancy size, timing).

#### **Item 7.           Types of Clients**

In the case of its Funds and other investment vehicle Clients, the Adviser considers its Client to be the investment vehicle itself, even though the Adviser's advisory arrangement is directly with each general partner or sponsor of the investment vehicle. The Adviser does not "look through" the investment vehicle to each investor in determining its client relationship for purposes of Advisers Act compliance unless required to do so by regulation (e.g., Rule 205-3) or interpretation (e.g., delivery of the Brochure to investors). Cabot, however, does maintain investor relations with investors in its Funds. Investors and Clients currently include university endowments, employee retirement benefit and pension plans, high net-worth individuals, charitable organizations, banks and corporations. Cabot does not have a specified minimum account size for its separately managed accounts.

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

##### *Investment Analysis and Strategy*

When making recommendations concerning investments in real estate interests, the Adviser relies on a quantitative review of specific properties, including: (i) the appraised value of the particular property; (ii) projected rates of return; (iii) projected costs of operation, repair, and improvement; and (iv) the construction, use, tenancy and location of the properties.

The Adviser's strategies include the following attributes:

- *Exclusive Focus on the Industrial Sector.* The strategy in the industrial sector segments the market by type of building, use and tenant size.
- *Target Markets with Growing Demand and Scarcity Value.* Investments typically are or will be in larger North American, UK, and Northern European, Australian, and Japanese industrial markets. Value is sought by focusing on sub-markets with (i) limitations on the type and quantity of new development relative to tenant demand; (ii) superior access and proximity to labor and amenities; (iii) superior access and proximity to major highways, railroads, airports and seaports; (iv) strong job growth and tenant demand; and (v) market liquidity.

- *Value Investing.* Value investing requires attention to real estate fundamentals that takes into account: (i) tenant needs and changing functional requirements; (ii) replacement costs and real market rent; (iii) repositioning and upgrading efforts; and (iv) active management and tenant relations.
- *Core Investing.* The Core investment program is designed to (i) focus exclusively on the industrial sector; (ii) target markets with growing demand and scarcity value; (iii) underwrite with disciplined attention to value; (iv) create value through active management; and (v) skillfully evaluate and execute dispositions.
- *Market Evaluation.* The following processes are part of the firm's market evaluation: (i) macroeconomic analysis (review of long-term economic and demographic trends); (ii) sub-market analysis; (iii) transaction flow; (iv) due diligence; (v) tenant underwriting; (vi) optimal forms of financing strategies; and (vii) pinpointing optimal exit strategies.
- From time to time, the Adviser manages short-term investments, such as for cash management of accumulated funds awaiting investment. The general strategy for these types of investments is to find instruments that are generally considered safe and liquid. The Adviser relies on information published by the Federal Reserve Bank and other financial institutions in respect of implementing its short-term investment strategies.

## *Risks*

Very generally, investing in securities and real estate assets involves risk of loss of the principal amount invested. Clients and investors should be prepared to bear any risk of loss when investing in real estate-related securities and assets. Investing in the real estate sector and in privately offered securities may raise unique investment risks, as summarized below. The risk summary contained herein is intended solely as a summary and is not an exhaustive list of potential risk factors. Each Fund is described in an offering memorandum or similar disclosure statement. These documents also disclose potential risks for each Fund in greater and more particularized detail than the summary set forth below.

- Real property investments are subject to varying degrees of risk. The yields available from equity investments in real estate depend on the amount of income earned and capital appreciation generated by the related properties as well as the expenses incurred in connection therewith. There is no assurance that the operations of the Funds will be profitable or that cash from operations will be available for distribution to investors. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuation and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of the Funds' investments. The marketability and value of the real property interests will depend on many factors beyond the control of the Funds, including, without limitation: (i) changes in general or local economic conditions, including changes as a result of the current conflict between Russia and Ukraine; (ii) changes in supply of, or demand for, industrial properties in an

area (e.g., as a result of over-building); (iii) fluctuations in the occupancy and rents for industrial properties; (iv) changes in interest rates; (v) promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety; (vi) unavailability of mortgage financing which may render the sale of a property difficult; (vii) the financial condition of tenants, buyers and sellers of properties; (viii) changes in real estate tax rates and other operating expenses; (ix) various uninsured or uninsurable risks; (x) acts of God and natural disasters and (xi) long term effects of climate change. Since investments in real estate generally are not liquid, there can be no assurance that there will be a ready market when the Funds determines to sell its properties and this could impede the Funds' ability to respond to adverse changes in the performance of its investments. Moreover, no assurances can be given that the fair market value of any assets acquired or developed by the Funds will not decrease in the future.

- Typically, investors will not be able to evaluate for themselves the merits of particular future investments in real property interests or the management of underlying properties prior to the investor's decision to invest in the Funds or prior to the Funds' investment in a particular property, nor will investors be entitled to participate in any manner in the decisions regarding refinancings or divestitures. Investors will be relying on the ability of the general partners with respect to the investments to be made by the Funds. The general partners will have complete discretion regarding properties to be acquired by the Funds, subject to the Funds' governing legal documents and the particular Fund's investment objectives and strategies. Because such investments may occur over a substantial period of time, the Funds faces the risk of adverse changes in the real estate markets.
- The general partners will conduct due diligence which the general partners believes is adequate to select investments in which to invest the Funds' assets. However, due diligence may not uncover problems associated with a particular investment. The general partners may rely upon representations made by the borrower or the seller in respect of a particular investment, as well as accountants, attorneys, or other investment professionals. Any such representations which prove misleading, incomplete, or false may result in the selection of investments which might have otherwise been eliminated from consideration had fully accurate and complete information been made available to the general partner. Even exhaustive due diligence, however, may not protect against subsequent fraud by property owners or managers.
- The Funds will likely incur nonrecourse or recourse debt to finance purchases of real property interests, subject to the restrictions on the amount of leverage in the governing legal documents. However, market fluctuations may decrease significantly the availability, and increase the cost of, real estate mortgage loans. If, as intended, the Funds do use leverage, the Funds will be subject to risks normally associated with debt financing. While such leveraging will increase the

funds available for investment by the Funds, it will also increase the risk of loss on a leveraged property. If principal payments due at maturity cannot be refinanced, extended or paid with proceeds of other capital transactions, such as new debt or equity capital, it is possible that the Funds' cash flow may not be sufficient in all years to repay all such maturing debt. If the Funds defaults on indebtedness secured by a given property, the lender may foreclose and the Funds could lose its entire investment in the given property. Furthermore, if prevailing interest rates or other factors at the time of refinancing (such as the reluctance of lenders to make commercial real estate loans) result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase. If a property is mortgaged to secure payment of indebtedness and the Funds are unable to meet mortgage payments, the property could be foreclosed upon or otherwise transferred to the mortgagee, with a consequent loss of income and asset value to the Funds. Since the Funds may engage in portfolio financing, whereby several properties are cross collateralized, multiple properties may be subject to that risk of loss. As a result, the Funds could lose performing properties in the event such properties are cross collateralized with poorly performing or non-performing properties. In addition, recourse debt subjects the other assets of the Funds to risk of loss.

- There is the potential for risk of loss associated with mortgage loans, which are subject to default, foreclosure and delays and expenses in respect of foreclosures.
- Assets held by investment vehicles, and the interests in private real estate investment vehicles themselves, can be illiquid, thus making them hard to value and liquidate, particularly in a falling market. Additionally, interests in private investment vehicles are subject to restrictions on transfer pursuant to the U.S. Securities Act of 1933.
- There are risks related to the real estate investment vehicle's organization whether limitations prescribed by the U.S. Investment Company Act of 1940 in the case of a private investment vehicle or in respect of applicable tax structures.
- Because Cabot-sponsored real estate investment vehicles are privately offered for purposes of the Securities Act of 1933 and are formed as private investment funds for purposes of the Investment Company Act of 1940, they are not subject to certain investor protection and other prophylactic regulations that would be applicable to a registered public offering and a registered investment fund.
- Investment strategies and analysis may not accurately project targeted returns because the considerations and assumptions underlying any projected returns are subject to uncertainty.
- The Funds' operating costs may be affected by the obligation to pay for the cost of complying with existing environmental laws, ordinances and regulations, as well as the cost of complying with future legislation with respect to assets, or loans secured by assets, with environmental problems that materially impair the value

of the assets. Under various federal, state, and local environmental laws, ordinances and regulations, a current or previous owner or operator of real property may be liable for the costs of removal or remediation of hazardous or toxic substances on, under, or in such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. In addition, the presence of hazardous or toxic substances, or the failure to remediate properly such violations of environmental laws relating to a property, may adversely affect the Funds' ability to lease such property or borrow by using such property as collateral. Persons who arrange for the transportation, disposal or treatment of hazardous or toxic substances may also be liable for the costs of removal or remediation of such substances at the disposal or treatment facility, whether or not such facility is or ever was owned or operated by such person. Certain environmental laws and common law principles could be used to impose liability for release of hazardous materials, including asbestos-containing materials ("ACMs") into the environment, and third parties may seek recovery from owners or operators of real properties for personal injury associated with exposure to ACMs or other hazardous materials. Environmental laws may also impose restrictions on the manner in which a property may be used or transferred or in which businesses may be operated, and these restrictions may result in unanticipated expenditures. Certain clean-up actions brought by federal, state and local agencies and private parties, as well as the presence of hazardous substances on a property, may lead to claims of personal injury, property damage or other claims by private plaintiffs. In connection with the ownership and operation of properties, the Funds may be liable for any such costs. The cost of defending against claims of liability or remediating contaminated property and the cost of complying with such environmental laws could materially adversely affect the Funds' results of operations and financial condition.

- Certain Funds and Client accounts intend to engage in the development of industrial properties. These activities involve a variety of risks, including, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (which can be affected by risks beyond the control of the Funds, such as weather or labor conditions or material shortages), lease-up velocity and rent levels, and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of construction or development activities once undertaken, any of which could have a material adverse effect on the financial condition and results of operations of the Funds and on the amount of funds available for distribution to the investors. Properties under construction or development generally generate little or no cash flow from the date of acquisition through the date of completion of construction or development and experience operating deficits for a period after the date of completion. The Funds may commence construction or development activities prior to obtaining financing for such activities and there is no guarantee that financing will be

available on favorable terms. Any failure to complete a development as a result of, or unanticipated delays or expenses related to, these risks could have an adverse effect on the Funds.

- Cabot employs experienced individuals who manage its operations and investment activities and depends upon the experience and relationships of certain members of its senior management team. Cabot's success depends on, among other things, its ability to retain these individuals and attract additional qualified personnel.
- Cabot performs internal valuations of the properties of the Funds and certain other Clients. In addition, Cabot engages external appraisal service providers for certain Funds. Any such valuation or appraisal, however, is a subjective analysis of the fair market value of real estate assets and requires the use of techniques deemed appropriate in Cabot's or a third-party valuer's discretion and ultimately provide no more than an estimate of value. Accordingly, there can be no assurance that the fair market values of the properties, as calculated based on such valuations, will be accurate on any given date, nor can there be any assurance that the sale of any property would be at a price equivalent to the last estimated value of such property.
- Cabot collects and stores sensitive data including proprietary business information of the Clients, investors, tenants, business partners and employees. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise Cabot's networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information and regulatory penalties, disrupt operations, damage Cabot's reputation and cause a loss of confidence in its services and disclose sensitive competitive information belonging to the Clients, which could adversely affect its business and competitive position.
- The emergence of a public health pandemic may adversely affect the investments and operations of Cabot's Clients. The global impact of any pandemic can be rapidly evolving and many countries can react by instituting quarantines and restrictions on travel. Such actions can create disruption in global supply chains, and adversely impact a number of industries. Such pandemic could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. Pandemics presents material uncertainty and risk with respect to the performance and financial results of the Clients. Cabot may not be able to travel to potential or current real estate assets for due diligence or asset management purposes and, where appropriate, will rely on third parties in local areas to assist with those activities. Development projects may incur delays due to federal, state or local laws or guidelines which may impact the ability of

development managers, contractors, subcontractors and other development-related to personnel to perform work under normal circumstances. Other large-scale issues, such as natural disasters and political disruptions, may impact Cabot's ability to manage Client investments.

- In normal circumstances, Cabot's ability to provide certain investment advisory services could be adversely impacted by disruptions in the global supply chain. In recent years, the supply of materials used in connection with certain business operations have become more difficult and expensive to obtain. As a result of such scarcity, Cabot's ability to undertake certain strategic investments may be limited or delayed. In some instances, such scarcity may impact a strategic investment's performance and/or cost.
- Uncertainties in the economic and political environment can make it more difficult for the Funds in select promising investments or avoid poor investments, and subsequent changes in the environment may be unforeseen, abrupt and adverse to the Funds' properties and its ability to find, develop and realize returns from appropriate investments. Ongoing acts or threats of civil disturbance, riots, acts of God, terrorism, wars and other disputes among countries or against the United States may exacerbate these issues, increase the volatility of financial or product markets or otherwise contribute to the likelihood or severity of an economic downturn. Many of the factors which could affect the performance of the Funds or its properties will be beyond the control of the general partner and the Funds. A significant downturn in the U.S. economy could adversely affect the Funds' operating results and ability to implement its business strategy. Furthermore, global economic uncertainty caused by political instability and conflicts such as the conflict between Russian and Ukraine could adversely affect the Funds' projections and the performance of the Funds' investments. An escalation in the conflict between Russia and Ukraine, including any resulting sanctions, export controls or other restrictive actions that may be imposed by the U.S. and/or other countries against governmental or other entities in, for example, Russia, also could lead to disruption, instability and volatility in the global markets, which may have an impact on the global economy and credit markets which may impact the Funds' investments and returns.
- The Funds may invest in properties located in markets in which the principals of the Adviser has no prior operating experience. Accordingly, the Funds may be competing for assets with entities that have greater experience and knowledge of such markets and may have better relationships with sellers, brokers, lenders or others in such markets. Investments in new markets may require more management time, staff support and expense in order to develop and maintain market knowledge and relationships across a number of markets.
- Real estate taxes payable with respect to properties of the Funds may increase significantly as a result of revaluations, changes in tax rate or other changes in law. Under the terms of existing leases, the Funds may not be able to pass through

to tenants such tax increases. Even if increases in taxes may be passed on to tenants under existing leases, the Funds may find that increases in real estate taxes reduce the amount for which properties subject to real estate tax increases may be leased. Accordingly, if there were a significant increase in real estate tax rates on the Funds' investment properties, this could have an adverse effect on the income generated from these properties and thereby adversely affect the Funds' results of operations.

- The Funds may employ hedging techniques designed to protect itself against adverse movements in interest rates and other risks. While such transactions may reduce certain risks, the transactions themselves may entail certain other risks. Thus, while the Funds may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates or other factors may result in poorer overall performance for the Funds than if they had not entered into such hedging transactions.
- Certain of the Funds' investments in debt securities, debt obligations, and financing terms may be tied to floating rates, such as the London Interbank Offered Rate ("LIBOR"). On March 5, 2021, the Financial Conduct Authority and LIBOR's administrator, ICE Benchmark Administration, announced that most LIBOR settings will no longer be published after the end of 2021 and a majority of U.S. dollar LIBOR settings will no longer be published after June 30, 2023. Accordingly, various financial industry groups have begun planning for transition away from LIBOR, but there are obstacles to converting certain securities and transactions to new reference rates. Markets are developing slowly and questions around liquidity in these rates and how to appropriately adjust these rates to mitigate any economic value transfer at the time of transition remain a significant concern. It is difficult to predict the full impact of the transition away from LIBOR on the Funds both during and after the transition period.
- Future changes in tax laws or interpretations thereof, resulting from legislative, administrative, or judicial decisions or other guidance, may have adverse tax consequences to an investor's investment in the Funds. Any such change may or may not be retroactive to a time preceding its occurrence. It is not possible to predict whether or to what extent any changes or interpretations thereof will occur.
- The non-U.S. jurisdictions in which the Funds invests will generally impose taxes on such properties and the Funds' operations within their jurisdictions, including income and gains taxes, stamp and registration taxes and duties arising on the acquisition of such properties and specific real estate taxes relating to the ownership thereof. Changes in applicable law (including tax treaties) or interpretations thereof may adversely affect the Funds' ability to efficiently realize income or capital gains or to minimize other potentially applicable taxes. The Funds intend to endeavor to structure its investments and activities to minimize non-U.S. tax liability; however, there can be no assurance that the



Funds will be able to eliminate its non-U.S. tax liability or reduce it to a specified level. In particular, the incidence of stamp and registration taxes and duties and real estate taxes in certain jurisdictions may be unavoidable. In addition, the Funds will use reasonable efforts to structure its investments non-U.S. jurisdictions so as to avoid the investors being required, in their individual capacities, solely as a result of an investment in the Funds, to file, income, capital gains or similar tax returns in such non-U.S. jurisdictions.

- Some of the Adviser's Funds investment strategy assumes that a portion of its investments, and ultimately its revenues, may be in real estate assets located outside of the U.S., which may subject the Fund to a variety of risks, including various political and other risks that are different from and in addition to risks in U.S. investments, including:
  - the enactment of laws prohibiting or restricting the foreign ownership of property;
  - laws restricting the Funds from removing profits earned from activities within the country to the U.S., including the payment of distributions, i.e., nationalization of assets located within a country;
  - variations in the currency exchange rates;
  - differing accounting standards and practices which may affect the evaluation of potential investments and the ability to perform due diligence;
  - changes in the availability, cost and terms of mortgage funds resulting from varying national economic policies;
  - significant government approvals under corporate, securities, exchange control, non-U.S. investment and other similar laws and regulations;
  - financing and structuring alternatives and exit strategies that differ substantially from those commonly used in the U.S. and may increase transaction costs;
  - changes in real estate and other tax rates and other operating expenses in particular countries; and
  - more stringent environmental laws or changes in such laws.

#### **Item 9. Disciplinary Information**

There is no disciplinary information to report that is applicable to this Item.

#### **Item 10. Other Financial Industry Activities and Affiliations**

Cabot establishes real estate Funds in which affiliated general partners have broad authority to control the operations of the Fund. The offering documents relevant to each Fund describe the Cabot structure and entities material to the operation of the Fund. Cabot's primary business

purpose is to provide investment advisory services to the Funds. Cabot is affiliated with other entities that provide investment management services however these entities are not separately registered as an investment adviser with the SEC. These entities and their general partners serve as general partners to the Funds ("Related Advisers"). Cabot or a Related Adviser will be responsible for all decisions regarding portfolio transactions of the Funds and generally have full discretion over the management of the Funds' investment activities. While Related Advisers are not separately registered as an investment adviser, all of the investment advisory activities are subject to the Advisers Act and the rules thereunder. In addition, employees and persons acting on behalf of the Related Advisers are subject to the supervision and control of Cabot. Thus, each Related Adviser and all of the persons acting on its behalf would be "persons associated with" the registered investment adviser so that the SEC could enforce the requirements of the Advisers Act against the Related Advisers.

Cabot has affiliated entities which provide property management services to Clients. Cabot Properties Property Management, LP ("CPPM") provides services in certain of Cabot's U.S. markets. Fees for these property management services are not offset against Cabot's asset management or other fees. Cabot faces a conflict when selecting these affiliated service providers over a third party, due to the additional fees payable to Cabot and its affiliates. Among other mitigants, Cabot reviews fees charged in relation to these services to ensure they are consistent with market rates charged by independent service providers for similar services.

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

The Adviser maintains a code of ethics that addresses compliance under the Advisers Act and other relevant laws, as well as the Adviser's fiduciary duties. The code of ethics sets forth obligations of the Adviser and its personnel to: (i) observe duties toward Clients, including maintaining client confidential information; (ii) report personal securities holdings of real-estate related assets that would be of the type that clients would acquire, as well as other required personal securities reporting; and (iii) observe policies to prevent the abuse of material non-public information. The Adviser will provide a copy of its code of ethics to any investor, Client or prospective Client upon request.

The Adviser may recommend investments in which it or related persons, including officers, directors, employees, or affiliates, have an interest. Such an interest can include not only an ownership or equivalent interest in an investment vehicle but also a management interest. For example, the Adviser may act as manager to the investment vehicle, or an affiliate may act as general partner or member manager of the investment vehicle. The Adviser may also recommend investments in which particular Fund investors currently have an interest.

In addition, the Adviser may make recommendations to one Client that are different from the recommendations made to another Client. Neither the Adviser nor its related persons, including officers, directors, or employees of the foregoing, are obligated to purchase or sell for their Clients any securities that may be purchased, sold, or recommended to any other Client of the Adviser. Cabot professionals also may have investments in public and private companies with which Cabot may do business, such as in the area of third-party property services. In this case, Cabot's code of ethics requires pre-approval of certain investments in the securities of certain

third-party property service providers which are held in individual accounts and which are not otherwise held in non-discretionary accounts or managed accounts over which the Cabot professional has no influence or control.

In all cases in which a conflict of interest may arise, the Adviser seeks to serve its clients fairly and with the utmost good faith. If the Adviser determines that an actual conflict of interest has arisen, the Adviser will take such actions that it determines in good faith are appropriate. These actions may include presenting the conflict to a Fund's board of advisors, disclosure of such conflict, and/or implementing certain policies or procedures designed to mitigate the conflict. The Adviser may not identify or resolve all conflicts in a manner that is favorable to each Client.

#### **Item 12. Brokerage Practices**

Because Cabot-sponsored investment vehicles are not trading funds *per se* that have actively managed portfolios, but rather invest primarily in real estate assets, the firm does not generally engage broker-dealers and other financial intermediaries to execute portfolio trades. On a much more limited basis, the Adviser may make recommendations for investing in short-term, highly liquid, cash management vehicles, such as money market mutual funds or currency investments. Investments in liquid and short-term assets typically are in connection with client funds awaiting investment in real estate or real-estate related assets. In this respect, the firm typically effectuates these kinds of transactions through commercial banking institutions. The Adviser periodically reviews the costs of such executions to determine if transaction expenses are at market terms.

The Adviser does not obtain any research or brokerage services, as defined in Section 28(e) of the U.S. Securities Exchange Act of 1934, in exchange for the client commissions generated from portfolio trades. Additionally, Cabot is not party to any directed brokerage arrangements.

#### **Item 13. Review of Accounts**

In general, the asset management team of Cabot has the responsibility annually to review each property investment in depth. At the end of this annual review, Cabot will prepare a capital plan and an operating budget. The investment committee Cabot has established for each Client approves the overall plan for each Client account. On a quarterly basis, the asset management team of Cabot will review a summary of each property investment, compare it to the plan, update financial projections and complete appraisals. Cabot will review monthly reports prepared by local property managers and, in cases where these reports vary significantly from the plan, will notify the asset management team of the variance. Properties and accounts are also reviewed on an *ad hoc* basis by officers of Cabot or other personnel responsible for determining general Client advice, usually as the circumstances of either the property or the Client change. Factors that could trigger an *ad hoc* review include a change in the following: tenancy; tenant financial profile; property income or expense; tenant prospects; or tenant receivables.

For the real estate investment vehicles, Cabot prepares quarterly reports for investors showing the acquisition and dispositions of each investment vehicle's or Client's assets. The investment, finance and asset management teams of Cabot will report to the investment committee if there are significant variances in each investment vehicle's expenses or financing compared to the investment committee's approved budget or underwriting.

The Funds are subject to an annual audit by an independent public accounting firm that is a member of the Public Company Accounting Oversight Board (“PCAOB”). Cabot distributes audited annual reports to investors in a Cabot-sponsored Funds typically within 90 days of the vehicle’s fiscal year end.

**Item 14. Client Referrals and Other Compensation**

The Adviser does not compensate any third party for Client referrals and does not receive any economic benefit from a third party for providing investment advice to its Clients. The Adviser has, however, enlisted the services of unaffiliated placement agents to offer limited partnership interests to institutional investors pursuant to a placement agent or similar agreement.

**Item 15. Custody**

In connection with the management of certain investment vehicle Clients, the Adviser has or is deemed to have custody of the investment fund assets pursuant to the SEC’s custody rule – Rule 206(4)-2 under the Advisers Act.

The Adviser maintains cash at “qualified custodians” (e.g., banks) and relies on an exception available to “pooled investment vehicles” from the reporting and surprise audit obligations imposed by the SEC’s custody rule. This exception requires the firm to engage an independent public accounting firm that is a member of, and examined by, the PCAOB and to distribute audited annual financial statements, prepared in accordance with GAAP, to fund investors within a prescribed period.

**Item 16. Investment Discretion**

The Adviser maintains discretionary authority to manage certain investment vehicles on behalf of its Clients, including the Funds it offers. Where applicable, the Adviser’s discretion is limited by the investment guidelines and conditions contained either in its investment advisory agreement with each investment vehicle and/or in the operating agreements of the specific investment vehicle. The parameters of these guidelines can vary from Client to Client, but all investors receive disclosure of investment guidelines and Client operations prior to their investment.

**Item 17. Voting Client Securities**

Neither the Adviser, Cabot nor any other affiliate votes proxies on behalf of Clients. If the Adviser were to be required to vote proxies on behalf of its Clients, the Adviser would vote in accordance with its fiduciary duties and provide required reporting to its Clients regarding such voting, as applicable.

**Item 18. Financial Information**

Neither the Adviser, Cabot, nor any affiliate assesses any fees more than six months in advance of any services rendered to the Client. There are no financial conditions of which the Adviser, Cabot, or an affiliate is aware that would impair the Adviser’s ability to render the advisory services for which the Adviser is responsible under its advisory agreements.