

Part 2A of Form ADV Firm Brochure

Item 1 – Cover Page

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March 29, 2023

This brochure provides information about the qualifications and business practices of Sarofim Realty Advisors LLC. If you have any questions about the contents of this brochure, please contact us at 214-692-4200 or info@sraco.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Sarofim Realty Advisors LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Sarofim Realty Advisors LLC is an investment adviser that is registered with the SEC in compliance with the Investment Advisers Act of 1940, as amended. Such registration does not imply a certain level of skill or training.

Item 2 – Material Changes

This brochure serves as an other-than-annual update to the previous brochure for Sarofim Realty Advisors LLC, which was dated as of July 22, 2022. 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 carefully review this Form ADV Part 2A in its entirety.

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Item 4 – Advisory Business

Our History and Organization

Sarofim Realty Advisors LLC, also referred to herein as the firm, was established in 1982 as Sarofim Realty Advisors Co., a wholly-owned subsidiary of Fayeze Sarofim & Co. In February of 2020, Sarofim Realty Advisors Co. reorganized into a limited liability company and admitted a non-controlling, passive minority-interest member in addition to Fayeze Sarofim & Co. Sarofim Realty Advisors LLC remains a majority-owned subsidiary of Fayeze Sarofim & Co., which itself is a wholly-owned subsidiary of The Sarofim Group, Inc. Fayeze Sarofim & Co. is principally owned by the Sarofim SGI Voting Trust, which is the majority shareholder of The Sarofim Group. The Sarofim SGI Voting Trust is controlled by Christopher Sarofim, the Chairman of the firm. The Sarofim Group is the ultimate corporate parent of a group of affiliated corporations includes the firm, three other registered investment advisers, and other business entities. The other registered adviser affiliates are:

- Fayeze Sarofim & Co.
- Sarofim Trust Co.
- Sarofim International Management Co.

Sarofim Realty Advisors LLC is focused on the business of real estate investment counseling and is registered under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and regulated by the Securities and Exchange Commission. The firm’s registration as an investment adviser does not imply a certain level of skill or training. Sarofim Realty Advisors LLC is located in one office in Dallas, Texas.

In our 40-year history, Sarofim Realty Advisors LLC has served a broad range of clients through numerous business cycles. As of December 31, 2022, the firm’s assets under management totaled approximately \$1.8 billion. On the same date, the total client assets managed by Sarofim Realty Advisors LLC and its investment adviser affiliates collectively were approximately \$25 billion. Please refer to “Our Advisory Services” below for a discussion of the client assets managed by Sarofim Realty Advisors LLC on a discretionary and non-discretionary basis.

Sarofim Realty Advisors LLC is not affiliated with a brokerage firm.

Our Advisory Services

Sarofim Realty Advisors LLC provides real estate investment advisory services to a select number of long-term clients, enabling our principals to be highly involved with each account. Sarofim Realty Advisors LLC also provides investment advisory services to one or more private investment funds (collectively with any future private investment fund to which the firm provides investment advisory services, including co-investment vehicles, the “Funds,” and each, a “Fund”). Interests in the Funds are privately offered to qualified investors in the United States and elsewhere. An affiliated entity formed by the firm serves as general partner to each Fund. The firm and the general partners generally operate as a single advisory business.

As of the date of this brochure, the Funds include: Sarofim Multifamily Income Fund LP (the “Multifamily Income Fund”), an open-ended private investment vehicle with a perpetual term that invests in a range of multifamily real estate opportunities and real estate-related cash flowing assets in the U.S., with targeted asset management initiatives to enhance income over time. The general partner of the Multifamily Income Fund is Sarofim GP LLC.

The firm’s advisory services for the Funds are detailed in the applicable private placement memorandum (or other offering document) and/or limited partnership agreement (or other operating agreement), which are referred to collectively as the “governing documents” and are further described below in “Methods of Analysis, Investment Strategies and Risk of Loss.” Additionally, from time to time, the firm provides (or agrees to provide) limited partners of the Funds as well as certain third-party investors or other persons, including the firm’s principals, personnel and certain other persons associated with the firm (to the extent not prohibited by the applicable governing documents), co-investment opportunities (including the opportunity to participate in co-invest vehicles) that will invest alongside a Fund.

The firm’s Investment Committee is responsible for implementing each client’s investment strategy and approving all investment decisions. The Committee, which is comprised of senior investment professionals, is chaired by our Chief Executive Officer, Scott Fitzgerald. The Investment Committee is responsible for the firm’s portfolio structures and all investment decisions. The firm’s advisory services are detailed in the applicable governing documents, separate account agreements and other offering documents. The firm has and will in the future enter into side letters or other similar agreements with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant governing documents or separate account agreements with respect to such investors.

Investment Types

The firm manages office, retail, multifamily, industrial and land investments located nationwide. We seek acquisition and development opportunities in most property types. Our investments vary in risk profile from stabilized core properties with relatively low risk to value-add or opportunistic assets that are identified as market dislocations and designed to deliver a higher return. The investment type and risk profile of the properties we acquire are based on the individual client’s portfolio management strategy, investment objectives, cash flow and income requirements, and existing investments.

We offer investment advice on various types of investment structures, including but not limited to: partnership interests, limited liability company interests, private real estate investment trusts, title holding corporations, and direct equity investments.

Discretionary and Non-Discretionary Accounts

Sarofim Realty Advisors LLC will manage clients’ assets on either a fully discretionary basis or a non-discretionary basis. With full discretionary authority for an account, we can do the following without obtaining client consent:

- Determine which assets to buy or sell
- Determine the total amount of assets to buy or sell, subject to available funds
- Determine the broker through which securities are bought or sold
- Negotiate with the selected broker commission rates for transactions

Item 12 of this brochure provides more information on the firm's brokerage practices, and Item 16 discusses investment discretion.

When we provide services on a non-discretionary basis, we give the client investment advice, but we do not have the authority to implement our recommendations in the client's portfolio without the client's approval.

The information provided above about the investment advisory services provided by Sarofim Realty Advisors LLC is qualified in its entirety by reference to the applicable governing documents, separate account agreements and other offering documents.

As of December 31, 2022, the firm managed approximately \$515 million in assets on a discretionary basis and approximately \$1.4 billion on a non-discretionary basis.

Other Services

Sarofim Realty Advisors LLC has in the past rendered, and may from time to time in the future render, investment or other real-estate related advice through consultations and may, in this regard, analyze special real estate situations involving acquisitions, dispositions, or other transactions. Fees for such services may be computed on an hourly basis or may be fixed at a specified amount per month, quarter, or project. Such fees will be negotiable and will consider factors such as the time spent by Sarofim Realty Advisors LLC and the size of the transaction.

Item 5 – Fees and Compensation

Advisory Service Fees for Discretionary and Non-Discretionary Accounts

Sarofim Realty Advisors LLC fees generally consist of initial and quarterly investment management fees calculated as a fixed percentage of funds under management. The advisory fees are generally bespoke arrangements that are negotiated on a client-by-client basis based on individual client objectives and may include non-recurring transaction and incentive fees as well as recurring account advisory fees. The recurring account advisory fees may be based on underlying property value, in which case, value is determined by either the internal or external appraised value whichever is obtained for that quarter. The firm does not otherwise maintain a universal fee schedule.

Advisory Services Fees for Funds

Sarofim Realty Advisors LLC receives a management fee (the “Management Fee”) and an affiliate receives a carried interest or incentive allocation in connection with advisory services provided to the Funds. As permitted under the applicable governing document(s), the firm may reduce or waive the Management Fee with respect to an investor in its sole discretion. Certain investors in the Funds may not pay a Management Fee or carried interest or may pay reduced amounts of a Management Fee or carried interest. Additionally, Wood Real Estate Investors, LLC, an affiliate of the firm (“Wood Partners”), provides property management, development management, construction management and other services to the Multifamily Income Fund in connection with certain investments to the extent Wood Partners is engaged by the Multifamily Income Fund. In connection therewith, the Multifamily Income Fund will bear certain property management fees, development management fees and construction management fees, as applicable. Such fees will be paid to Wood Partners or its affiliate pursuant to a property management agreement, development management agreement or construction management agreement, as applicable, each entered into between the Multifamily Income Fund and Wood Partners or its affiliate. All amounts payable for any such services will be property-level expenses and will not reduce or offset the Management Fee. Investors in each Fund also bear certain fund expenses with respect to such Fund, as set forth in the applicable governing documents.

Generally, investors in the Multifamily Income Fund pay a quarterly Management Fee calculated as the product of the applicable annual rate in accordance with the governing documents, which rates range from the following:

- 0.9% to 1.1% for the first \$25 million of capital commitments
- 0.8% to 1.0% for the next \$25 million of capital commitments
- 0.7% to 0.9% for the next \$50 million of capital commitments
- 0.6% to 0.8% for further capital commitments

Investors in the Multifamily Income Fund will also pay Sarofim Multifamily Income SLP LP, the special limited partner of the Multifamily Income Fund, an incentive allocation above a hurdle rate of 7% and calculated in accordance with the governing documents.

Our Billing Practices

The firm's fees are billed according to the advisory agreement with the client. Current arrangements include quarterly billing in arrears, quarterly billing in advance, and monthly billing; however, the timing and frequency of billing varies by client.

Third Party Fees You May Incur

Sarofim Realty Advisors LLC does not provide custodial services, and we are not affiliated with a brokerage firm. The firm's brokerage practices are discussed in Item 12 of this brochure. The advisory service fee you pay to us does not include other fees or charges you will incur in connection with your account at Sarofim Realty Advisors LLC, including but not limited to, custodial fees and brokerage commissions.

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

The fee structure of Sarofim Realty Advisors LLC includes non-recurring incentive fees on some portfolios, which are designed to align our financial reward with that of our clients. Incentive fees are generally payable only upon asset disposition and only upon meeting a defined target rate of return to the investor. The incentive fees are calculated as a sharing of excess profits over the target rate of return between the client and Sarofim Realty Advisors LLC.

Generally speaking, side-by-side management is a reference to the simultaneous management of mutual funds and hedge funds. Neither Sarofim Realty Advisors LLC nor its parent, Fayed Sarofim & Co., collect side-by-side management fees.

Although managing entities that are charged no or a lower performance-based fee could present a conflict of interest because Sarofim Realty Advisors LLC may have an incentive to favor clients for which it receives the highest performance-based compensation, the firm addresses this potential conflict of interest by maintaining an investment allocations process designed to assist the firm in allocating investment opportunities among its clients in a fair and equitable manner, consistent with the firm's fiduciary obligations to, and underlying documents (if applicable) for, the relevant client(s) and/or deal structure(s) (which may also include provisions requiring that allocations be made in a particular manner). Sarofim Realty Advisors LLC waives or reduces the performance allocation in its sole discretion with respect to certain investors as described above.

Item 7 – Types of Clients

Sarofim Realty Advisors LLC serves as an investment adviser for a broad range of clients, including:

- Private employer pension and profit-sharing plans
- State and local government retirement systems
- Endowment and foundation funds

We continue to seek new clients with these types of accounts. Any requirements for opening or maintaining an account are generally negotiated on a client-by-client basis in connection with the bespoke advisory services fees described in Item 5 and other considerations, as applicable. The firm waives any such requirements in its sole discretion on a case-by-case basis.

Sarofim Realty Advisors LLC also serves as investment adviser to the Funds, which include investment partnerships or other investment entities formed under U.S. domestic or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the “Investment Company Act”). The Firm does not provide investment advice directly to investors in the Funds on an individual basis. Fund interests are offered and sold generally to investors that are (a) “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended, (b) “qualified clients” as defined under the Advisers Act or other “knowledgeable employees” of the firm, and (c) “qualified purchasers” as defined in Section 2(a)(51)(A) of the Investment Company Act.

Generally, the Multifamily Income Fund requires a minimum Commitment of \$2 million, but such amount may be reduced with the prior agreement of the firm, subject to applicable legal requirements. Funds formed in the future are also expected to have a minimum Commitment, which may vary from the minimum Commitment for the Multifamily Income Fund.

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

Applied Market and Economic Data

Sarofim Realty Advisors LLC compiles market and economic research data through outside sources. This data encompasses a wide array of economic, demographic, and real estate information including population and employment trends, absorption, supply, development pipeline, vacancy, competitive rental rates, and sales values for certain major U.S. markets and for each competitive project in the submarket being considered for investment. The asset management and acquisition groups have an understanding of the drivers of space absorption for office or industrial properties as well as of consumer spending patterns and their effects on retailing, and the specific needs of a target apartment resident. We believe this knowledge enables our firm to quantify real demand and match user requirements with an appropriate real estate product.

The highly efficient integration of market and economic data is an essential component of our process of seeking to add value and mitigate risk, specifically by:

- Targeting the investment process to specific markets and submarkets
- Understanding the target renter and matching product design to the renter profile
- Understanding each investment opportunity in terms of various competitive aspects including construction, composition, rents, and amenities of competitive properties

Investment Strategy

Sarofim Realty Advisors LLC customizes strategies to meet the needs of each client. Strategies are based upon identifying opportunities that result from dislocations in the underlying property values or the capital markets. Understanding the market forces that drive demand for each product, the needs of the ultimate user of the real estate, the timing of new supply, and the vagaries of the capital markets are critical to identifying these dislocations and understanding the resulting opportunities. As the outlook for return and risk changes throughout a cycle, the general market typically overreacts or reacts too slowly to these changes. Different property types have different supply/demand cycles; they do not perform in unison. A product type may be in balance in one part of the country but significantly out of balance in another region. In addition, capital has its own cycles and its own sets of preferences for different products. When capital overreacts to real or perceived changes in the risk/return profile of a given product type or region, the result is distorted pricing that is not reflective of true long-term values and risks.

We also look for dislocations from changes over time in the demand for a given product. These dislocations could result from changes in the needs or priorities of the end user of the product, which are reflected in the emerging demand for products such as privatized student housing, value office, E-Commerce and Third-Party Logistics warehouse space or attainable multifamily. As new products are developed to satisfy this demand, end users may move from existing products, perhaps signaling a need to sell assets that may be functionally downshifted.

Understanding the ultimate end user of the real estate is a critical part of assessing the validity of an investment strategy.

For the Multifamily Income Fund, Sarofim Realty Advisors LLC incorporates a disciplined approach focused on identifying fundamental real estate value and actively improving assets to seek to provide attractive risk-adjusted returns. The firm seeks to limit risk and volatility at both the asset and portfolio level. The Multifamily Income Fund seeks to acquire assets that possess the characteristics that firm believes will allow them to remain in demand by quality tenants throughout economic cycles and which, in turn, could be readily sold in the liquid market as institutional quality assets. The firm believes that an effective way to mitigate risk and volatility in a real estate portfolio is the generation of current cash flow and that volatility can be further mitigated by proactive and deliberate portfolio construction, using geographic and economic driver diversification and leverage limits.

Risk Management

Risk is inherent in the investment process and cannot be avoided. Sarofim Realty Advisors LLC will identify the risks in a given investment, understand the implications of those risks, weigh the implications of those risks against potential returns, and whenever possible, structure around those risks that cannot be avoided.

Market/Submarket Selection Risk

We identify the market forces or drivers that give rise to the investment opportunity. Our research process then screens potential markets based upon these target characteristics:

- High economic resiliency
- High projected job growth
- High projected population growth
- Low current vacancies
- Limited new supply due to barriers to entry

Various groups in the firm parse the screening results to develop the final target market list.

Rental Market Risk

We analyze rental market risk at the macro and micro level. Understanding the dynamics and potential pitfalls of the competitive real estate market for each specific investment is critical to assessing and mitigating risk.

- Demand –Demand drivers are studied for each real estate sector, evaluating factors such as office job growth, consumer expenditures, and household formations.
- Competitive Supply – Competitive properties are identified and analyzed. In addition, a delivery schedule of properties under construction or in the pipeline is generated and

updated as needed. The team looks at permits and talks with local experts to understand the potential risk of competitive projects.

- Rental Rates – Sarofim Realty Advisors LLC is conservative in the underwriting process in terms of assumptions for rental rates and escalations. Projected rental rates are compared to competitive properties.

Development Risk

Developing investment property enables the investor to take advantage of the arbitrage between the cost to build and the cost to buy in today's market. There are several risks that are intrinsic to the development process.

- Design Risk – Sarofim Realty Advisors LLC is active in the design of development properties, and we work with the developer on all design issues. A demographic profile of the target tenant is developed and an assessment of how the needs and wants of the target tenant are being met by the competition to determine which elements to emphasize in the design process.
- Entitlement Risk – Sarofim Realty Advisors LLC will not take this risk. All entitlements and permits must be in place before Sarofim invests.
- Construction Risk - While Sarofim Realty Advisors LLC is involved in the design and budgeting process, the firm will not take construction risk. The development partner is responsible for cost overruns and must provide a completion and cost guarantee to the lender and the partnership. A diversified portfolio of what we believe to be best-in-class local developers enables the firm to select attractive projects in each market and avoid being tied to a single developer's interests.

Capital Markets Risks

The risks created by the vagaries of the capital markets seem increasingly difficult to forecast. Sarofim Realty Advisors LLC believes that the best course to mitigate these risks is to be conservative in terms of expectations for interest rates and to fix debt costs whenever possible and economically attractive.

The firm uses conservative assumptions for capitalization rates in the underwriting process. Sarofim Realty Advisors LLC also believes that well-conceived, well-executed, infill product will typically command a pricing premium upon sale.

Portfolio Allocation Risks

There is a risk that certain property types, geographic locations, or types of tenants may be over-weighted or under-weighted within the client's real estate investment portfolio. There is also the broader allocation risk of over-weighting or under-weighting real estate relative to the entire investment portfolio.

The firm manages this risk by an initial and ongoing portfolio review and analysis with each client. Sarofim Realty Advisors LLC considers each client's risk tolerance and manages the investment portfolio in light of the client's overall portfolio plan.

Some of the key areas of portfolio risk review include, but are not necessarily limited to, the following:

- Product-type risk and diversification
- Return characteristics of sub-asset classes
- Tenant concentration
- Tenant rollover exposure
- Economic driver concentration
- Geographic concentration
- Debt maturity risk
- Interest rate risk – fixed versus floating

Once these parameters are established, we will quantify and monitor these measures on a quarterly basis, including summaries in our quarterly reports. The Investment Committee will review each asset in the portfolio against the established guidelines and overall portfolio risk parameters.

At our clients' request, Sarofim Realty Advisors LLC will provide information to and meet with third-party client consultants or trustees who perform consolidated reporting and review over multiple advisory firms. This provides an added layer of portfolio risk management.

Risks of Investing in the Funds

Investments in Operating Companies. A Fund generally invests in debt or equity securities of companies that own real estate that may be undergoing restructuring or that may require additional capital and active management. These securities are subject to various inherent risks, including the following: (i) equity and debt securities fluctuate in value, often based on factors unrelated to the issuer of the securities, and such fluctuations can be significant; (ii) such investments generally may be subject to risks with respect to the issuing of equity; and (iii) the market for these securities may be less liquid than that of other higher rated or more widely followed securities.

Hedging Policies. In connection with the consummation of certain investments, a Fund generally employs hedging techniques designed to protect the Fund against adverse movements in currency or interest rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks, including additional costs, such as transactions fees or breakage costs related to hedging agreements. Thus, while a Fund may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions.

Real Estate Ownership. Real estate historically has experienced significant fluctuations and cycles in value, and local market conditions may result in reductions in the value of real property interests. The marketability and value of a Fund's investments will depend on many factors beyond the control of the Fund's general partner, and such investments will be subject to the risks incidental to the ownership and operation of real estate. Those risks include those associated with both the U.S. and global general economic climate; local real estate conditions; changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building); financial condition of tenants, buyers and sellers of properties; energy and supply shortages; various uninsured or uninsurable risks; natural disasters; the ability of the Fund or third parties to manage the real properties; government regulations (such as land-use and zoning restrictions; environmental protection and occupational safety); changes in real property taxes; and interest rates. With respect to investments in the form of real property owned by a Fund, the Fund will incur the burdens of ownership of real property, which include the paying of expenses and taxes, maintaining such property and any improvements thereon, and ultimately disposing of such property. There is no assurance that there will be a ready market for resale of a Fund's investments because investments in real estate generally are not liquid. Illiquidity may result from the absence of an established market for the investments and from legal or contractual restrictions on their resale by a Fund.

Many of these factors could cause fluctuations in demand for real properties, occupancy rates or operating expenses, resulting in a negative effect on the value of real estate assets. Valuation of real estate assets may fluctuate. The capital value of a Fund's real estate investments may be significantly diminished in the event of a downward turn in real estate market prices. Additionally, real estate can be difficult to sell, especially if local market conditions are poor. Such illiquidity will tend to limit the ability of the Fund's general partner and investment manager to vary the Fund's portfolio promptly in response to changes in economic or other conditions, and limit near-term cash flow available for distribution to the Fund's investors. No assurances can be given that the fair market value of any of the assets acquired by a Fund will not decrease.

Moreover, certain expenditures associated with real estate, such as taxes, debt service, maintenance costs and insurance, tend to increase and are not generally decreased by events which may adversely affect sales and/or rental revenues such as an unforeseen downturn in the real estate market, a lack of investor confidence in the market or a softening of demand. There can be no assurance that any of a Fund's investments will be sold at a price above the cost of acquisition and development. As a result, there can be no assurance that a Fund's investment objectives will be realized.

Illiquidity of Real Estate Investments. Real estate investments are relatively illiquid. Illiquidity may result from many factors, including without limitation, the absence of an established market for the investments and legal or contractual restrictions on their resale by a Fund. Dispositions of investments may be subject to legal, contractual and other limitations on transfer (including pre-payment penalties) or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. Such illiquidity will tend to limit the ability of a Fund to sell assets promptly in response to changes in economic or other conditions. The possibility of partial or total loss of capital will

exist and investors should not subscribe unless they can readily bear the consequences of such loss.

In acquiring a property, a Fund from time to time is expected to agree to “lock-out” provisions that materially restrict it from selling that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed or repaid on that property. These lock-out provisions would restrict the Fund’s ability to sell a property. These factors and other factors that could impede the Fund’s ability to respond to adverse changes in the performance of its properties could significantly affect the Funds’ financial condition and operating results.

Acquisition and Development. Acquisitions of properties entail general investment risk associated with any real estate investment, including the risk that investments will fail to perform in accordance with expectations or that estimates of the costs of improvements to bring an acquired property up to the standards of the applicable Fund may prove inaccurate. Additional risks associated with real estate development activities include the following: a Fund may abandon development activities after expending resources to determine their feasibility; the construction cost of a project may exceed original estimates (including risks beyond the control of a Fund, such as weather or labor conditions or material shortages); occupancy rates and rents at a newly completed property may not be sufficient to make the property profitable; financing may not be available on favorable terms for development of a property; and the construction and lease-up of a property may not be completed on schedule (resulting in increased debt service and construction costs). Development activities are also subject to risks relating to inability to obtain, or delays in obtaining, necessary zoning, land-use, building occupancy and other required governmental permit authorizations. In addition, new development activities, regardless of whether they are ultimately successful, may require a substantial portion of management’s time and attention. Further, properties under development or properties acquired to be developed may generate little or no cash flow from the date of acquisition through the date of completion of development, if completed, and may experience operating deficits after the date of completion. Market conditions may change during the course of development that make such development less attractive than at the time it was commenced. If any of the above occurs, the Fund may not achieve any return on its investment and the Fund’s ability to make distributions to its investors could be adversely affected.

Limited Exit Opportunities. A Fund from time to time is expected to sell communities to third parties as conditions warrant and as part of the Fund’s investment strategy. However, a Fund’s ability to sell communities on advantageous terms depends on factors beyond the Fund’s control, including competition from other sellers and the availability of attractive financing for potential buyers. If a Fund is unable to sell properties on favorable terms or to redeploy the proceeds in accordance with the Fund’s investment strategy, then the Fund’s financial condition, results of operations, cash flow and ability to pay distributions could be adversely affected.

Ownership of Multifamily Residential Real Estate. The Multifamily Income Fund will invest in multifamily residential investments, the performance of which is subject to many of the risks associated with owning and operating other types of real estate. In addition, competition in the residential real estate marketplace is strong, and there are numerous housing alternatives that

compete with multifamily properties in attracting residents. A large number of factors may adversely affect the value and successful operation of a multifamily property, including: physical attributes of the apartment building; location of the property; the types of services or amenities that the property provides; the property's reputation; the level of mortgage interest rates, which may encourage tenants to purchase rather than lease housing; presence of competing properties; the tenant mix, such as the tenant population being predominantly students or being heavily dependent on workers from a particular business or personnel from a local military base; governmental programs that provide rent subsidies to tenants pursuant to tenant voucher programs, which vouchers may be used at other properties and influence tenant mobility; and adverse local or national economic conditions, which may limit the amount of rent that may be charged and may result in a reduction of timely rent payments or a reduction in occupancy levels. If the demand for multifamily properties is reduced, or if competitors develop and/or acquire competing properties on a more cost-effective basis, income generated from the Fund's investments and the underlying value of such investments may be adversely affected.

In addition, certain jurisdictions regulate the relationship of an owner and its tenants. Commonly, these laws require a written lease, good cause for eviction, disclosure of fees and notification to residents of changed land use, while prohibiting unreasonable rules, retaliatory evictions and restrictions on a resident's choice of unit vendors. For example, there may be provisions that limit the bases on which a landlord may terminate a tenancy or increase its rent or prohibit a landlord from terminating a tenancy solely by reason of the sale of the owner's building. In addition to State regulation of the landlord-tenant relationship, numerous towns and municipalities impose rent control on apartment buildings. These ordinances may limit rent increases to fixed percentages, to percentages of increases in the consumer price index, to increases set or approved by a governmental agency, or to increases determined through mediation or binding arbitration.

Redevelopment Activities. The Multifamily Income Fund from time to time is expected to invest in undeveloped land and certain redevelopment properties. Such properties may involve more risk than properties on which development has been completed and may not generate operating revenue during periods in which costs are incurred for such properties. Redevelopment is subject to numerous risks such as construction delays; cost overruns or force majeure that may increase project costs; new project commencement risks such as the receipt of zoning, occupancy and other required governmental approvals and permits; and the incurrence of real estate redevelopment costs in connection with projects that are not pursued to completion.

Other Risks

Cybersecurity Risk. Investments are susceptible to operational risks through breaches in cybersecurity. A breach in cybersecurity refers to both intentional and unintentional events that may cause a company (including Sarofim Realty Advisors LLC and the companies in which an account invests to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause such a company to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cybersecurity breaches (including ransomware attacks) may involve unauthorized access to a company's digital information systems through "hacking" or malicious software coding but may

also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended users. In addition, cybersecurity breaches of the issuers of securities in which an account invests or the firm's third-party service providers, such as its administrator, transfer agent, custodian, or sub-adviser, as applicable, can also subject an account to many of the same risks associated with direct cybersecurity breaches. Although the firm has established risk management systems designed to reduce the risks associated with cybersecurity, there is no guarantee that such efforts will succeed.

Disease and Epidemics. The impact of disease and epidemics may have a negative impact on our business, our clients and their performance and financial position. Coronavirus, renewed outbreaks of other epidemics or the outbreak of new epidemics could result in health or other government authorities requiring the closure of offices or other businesses, and could also result in a general economic decline. For example, such events may adversely impact economic activity through disruption in supply and delivery chains. Moreover, our operations and those of our clients or their investments could be negatively affected if personnel are quarantined as the result of, or in order to avoid, exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses may have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence may negatively impact market value, increase market volatility, cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on our business, our clients and their investments. The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably estimated. A global pandemic, an epidemic affecting a geographic region where a Fund's investments are concentrated, and other large-scale human health crises may result in significant disruptions to the development or operations of a Fund's investments. The extent of development and other operational delays, increased costs (including potential financing penalties as a result of delays) and losses in operating income in connection with such events will be a function of the severity of the event, the nature and scope of governmental responses to such event, the impact of the event on the workforce relied upon by the applicable Fund and its investments and the total amount of exposure in the affected area. To the extent a Fund's investments are geographically concentrated, a regional epidemic particularly affecting this geographic region may have a materially adverse effect on the Fund's financial condition and business operations. Furthermore, to the extent a Fund's investments are specifically affected by or exposed to (or perceived to be affected by or exposed to) the occurrence of a contagious disease or illness, this may adversely impact lease renewal rates for the affected Fund investments (e.g., with respect to the Multifamily Income Fund). Although each Fund is expected to maintain customary business interruption insurance to cover income losses as a result of unanticipated business disruptions, such policies may exclude disruptions that result from contagious diseases or other health crises. In addition, pandemics, epidemics and other human health crises could have negative impacts on a Fund's investments outside of the areas directly affected. To the extent that a disruptive health event adversely impacts travel and personnel movement, workforce availability and efficiency, and global manufacturing and supply chains for components and systems integrated into the operations of a Fund's investments, such an event could have a significant adverse effect on such investments in other jurisdictions not otherwise directly affected.

Item 9 – Disciplinary Information

Sarofim Realty Advisors LLC and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this brochure.

Item 10 – Other Financial Industry Activities and Affiliations

Sarofim Realty Advisors LLC is affiliated with three other registered investment advisers: Fayed Sarofim & Co., Sarofim International Management Company, and Sarofim Trust Co. While the firm and certain of its “management persons” have a relationship with the above-listed “related person” investment advisers, Sarofim Realty Advisors LLC does not believe that the relationship is material to the firm’s advisory business or to the firm’s clients or that the relationship results in a material conflict of interest.

An affiliate of the real estate firm Wood Partners maintains a non-controlling, passive interest in Sarofim Realty Advisors LLC. Additionally, Fayed Sarofim & Co., the managing member and majority owner of Sarofim Realty Advisors LLC, maintains a minority ownership position in an affiliate of Wood Partners. The Wood Partners affiliate, through its ownership interest, is entitled to two out of the current five seats on Sarofim Realty Advisors LLC’s Board of Advisors. We have attempted to mitigate any conflicts of interest posed by the relationship described above by subjecting the Wood Partners’ board appointees to the firm’s Code of Ethics which is discussed in Item 11 below.

For purposes of this response, the firm’s investment and administrative professionals are considered “management persons” since they are considered to have a controlling influence over the firm’s management or policies or the general investment advice given to the firm’s clients. A “related person” for purposes of this response includes all employees of the firm and its affiliates other than those performing only clerical, administrative support or similar functions.

The firm seeks to avoid and mitigate all conflicts of interest and has adopted policies and procedures to be followed in determining and eliminating conflicts of interest. For example, please see the discussion in the response to Item 11 Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading.

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

As required by SEC rules and in line with what we believe to be good business practices, Sarofim Realty Advisors LLC has adopted a Code of Ethics for employees and certain on-site contractors, if applicable. References to “employees” in this Item 11 include such on-site contractors. The Code of Ethics is designed to reinforce a culture of compliance within the firm and to ensure that we fulfill our fiduciary duty to our clients and prospective clients. To help our employees understand, appreciate, and uphold their fiduciary responsibilities, the Code of Ethics sets standards of expected conduct and outlines prohibited conduct. The code requires that each employee must:

- Comply with the spirit and the letter of the federal securities laws and the rules governing the capital markets
- Act with competence, dignity, integrity, and in an ethical manner, when dealing with clients, the public, prospects, third-party service providers and fellow employees
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, trading, promoting the firm’s services, and engaging in other professional activities
- Adhere to the highest standards with respect to any potential conflicts of interest with clients
- Recognize that he or she should never benefit at the expense of any client
- Conduct all personal securities transactions in a manner consistent with fiduciary obligations to clients, and avoid any actual improprieties, as well as the appearance of impropriety
- Treat as confidential the identity of clients and their financial circumstances and security holdings

Employees are required upon hire and annually thereafter to acknowledge that they have received, read, understood, and agree to comply with the Code of Ethics. Annual compliance training sessions, which are mandatory for all employees, review key precepts of the code. To help us enforce the Code of Ethics, we regulate and monitor employee securities trading activity and require certain periodic disclosures from employees.

Within ten days of starting employment with the firm, an individual must submit an initial holdings report to the firm’s Chief Compliance Officer, detailing security holdings and the accounts in which they are held. An updated holdings report must be submitted semiannually by all employees. Employees must also have trade confirmations and monthly or quarterly statements sent to the firm. In addition, certain key employees are required to complete quarterly transactions reports. The firm’s Chief Compliance Officer or her designee reviews these reports periodically for accuracy and unusual trading activity.

Employees must receive preclearance for most personal securities transactions. Sarofim Realty Advisors LLC may disapprove any proposed transaction and generally will do so if the transaction appears to pose a conflict of interest or otherwise appears improper. Fayez Sarofim & Co., an investment adviser affiliate and the parent company of Sarofim Realty Advisors LLC,

maintains a restricted list that includes securities that are being traded in client accounts and securities that are being considered for purchase in client accounts. Employee trades in securities on the restricted list will not be approved. Furthermore, employees are prohibited from engaging in securities transactions or recommending transactions for client accounts that place, or appear to place, their own interests above the interests of our clients or the firm.

Fayez Sarofim & Co. and other investment adviser affiliates of the firm hold many of the same securities that are recommended for clients of The Sarofim Group. A significant portion of the firm's assets and our investment professionals' net worth is invested in equity portfolios constructed and managed similarly to those of clients of The Sarofim Group; however, at times the firm and its employees may invest in directionally different ways from our clients. Consequently, The Sarofim Group often effects transactions on behalf of clients in discretionary accounts or recommends transactions to clients with non-discretionary accounts that involve securities held in the firm's account or in the accounts of employees. When this is the case, employee trading in the particular security must be conducted in accordance with the principles and procedures outlined in the Code of Ethics.

Since the The Sarofim Group provides investment advice to various clients, including clients that routinely invest in various levels of the same issuer's equity and debt securities, there are likely to be conflicts of interest relating to such investments that must be resolved. Where multiple clients invest in different parts of the capital structure of an issuer, their respective interests generally will be conflicting, including in cases where the issuer becomes financially distressed. For example, it is possible for both an account employing an equity strategy and an account employing a debt strategy to be simultaneously invested in the same issuer that becomes financially distressed. In such cases, the interests of each client may be in direct conflict with another. The Sarofim Group has adopted conflicts policies and procedures that generally provide that determinations are to be made in good faith in the collective best interests of such clients.

Sarofim Realty Advisors LLC and our registered investment adviser affiliates have adopted and follow policies and procedures that prohibit trading while having material information that is not available to the public and during "blackout periods." An individual employed by or associated with Sarofim Realty Advisors LLC may be an officer or director of a publicly traded company or a party to contractual arrangements with a publicly traded company. If so, such an individual may be prohibited by the policies of the public company from trading in the securities of that company during blackout periods imposed or recommended by the company. It is also the policy of Sarofim Realty Advisors LLC and our registered adviser affiliates that these individuals may not trade in securities of the public company during a blackout period. These policies also require that all directors, officers and other employees of Sarofim Realty Advisors LLC and our affiliates are subject to the same restrictions.

Although trading in securities of the designated public company during a blackout period is prohibited in the personal accounts of employees and in the firm's account, Sarofim Realty Advisors LLC's affiliates may trade in securities of the public company on behalf of our discretionary investment advisory clients provided:

- The individual who is the officer, director, or affiliate of the public company does not

exercise sole investment discretion over the trading of these securities for client accounts during the blackout period; and

- This individual has not, does not and will not disclose material information that is not available to the public.

In addition, our compliance policies and procedures require us to make certain disclosures if any of our employees have these types of relationships with a public company.

Other topics discussed in the firm's compliance policies and procedures, including the Code of Ethics, include:

- Prohibition against insider trading
- Restricting access to material non-public information
- Approval for outside business affiliations
- Contributions to candidates for political office
- Communications with clients
- Entertainment, gifts and gratuities

Clients or prospective clients may receive a copy of the firm's Code of Ethics by sending a written request to:

Scott Fitzgerald
Chief Executive Officer
Sarofim Realty Advisors LLC
2525 McKinnon Street, Suite 530
Dallas, TX 75201
sfitzgerald@sraco.com

Item 12 – Brokerage Practices

Sarofim Realty Advisors LLC uses real estate brokers in the financing, purchase, and sale of investment properties. Our policy is to select the broker in each location who we believe provides the best value and service for our clients. In the event the firm executes a brokerage transaction for the clients, the firm will generally consider qualitative factors including, but not limited to, the broker's reliability and execution capabilities for the transaction, the commissions charged by the broker, and the broker's reputation and responsiveness to requests for trade data and other financial information.

Sarofim Realty Advisors LLC is not affiliated with a real estate broker.

Item 13 – Review of Accounts

Sarofim Realty Advisors LLC accounts are reviewed frequently and systematically by a team of investment professionals assigned to the account. The team includes senior officers, asset managers, portfolio managers, real estate analysts, and financial reporting professionals. All persons involved in the account review process have a sound educational background and appropriate professional certifications. Many of these individuals have both undergraduate and advanced degrees.

Account reviews include, but are not limited to the following:

Regular and on-going review and discussions occur between Sarofim Realty Advisors LLC asset managers and third-party property managers, operating partners, and brokers.

Property site visits are conducted at least quarterly and occur more frequently to oversee the status of the projects, review of the market conditions and competitive properties or for follow-up of any concerns with the asset, property manager, leasing manager, or broker.

Quarterly reports are prepared for each asset including:

- Investment account position summary, which includes contributions, distributions, investment income, fees, investment return, and appreciation on a quarter-to-date and year-to-date basis
- Leasing status including property occupancy and potential tenants
- Market and competing property review
- Property summary
- Quarterly internal valuation and annual third-party valuation, if required by client
- Operating reports and performance summary, gross and net of fees

The status of every property is communicated to the client through quarterly reports. This information is discussed on a more frequent and informal basis with the client as necessary.

Annual business plans are prepared for each asset and are an integral part of Sarofim Realty Advisor's asset management process. The plans are based on each client's investment strategy, current property conditions, and market dynamics. The information incorporates market data and macro-economic data from external sources. Unless a client format is used, information in the annual business plan includes the following:

- Project Data
- Debt Summary
- Significant Events
- Asset Strategy/Status
- Risk Management
- Hold/Sell Recommendation
- Prior Year Actual/Budget vs Current Year Budget

- Current Year Action Items
- Historical Performance
- Market Overview
- Location Map
- Stacking/Site Plan
- Rent Roll
- Partnership Summary/Management and Leasing
- Tax and Insurance Summary
- Budget
 - a. Monthly Cash Flow
 - b. Lease Activity
 - c. Leasing Assumption Detail
 - d. Capital Expenditure Detail
- Valuation
 - a. Cash Flow Projection
 - b. Valuation Assumptions
- Projected Distributions and Contributions

The Investment Committee approves material events that occur outside the approved plan. As part of the quarterly review process, the firm reevaluates assumptions and strategies that comprised the annual business plan and implements any necessary adjustments to the plan.

One or more of the investment professionals assigned to an account will confer with the client from time to time. Clients may also request a conference to review their account. Client communication is an important part of our investment advisory services, and we encourage clients to contact us if they have questions.

The firm will generally provide to a Fund's limited partners (a) audited financial statements annually, (b) unaudited financial statements for the first three quarters of each fiscal year, (c) annual tax information necessary for each partner's U.S. tax returns, and (d) descriptive information for the Fund's investments at least annually.

In addition to the information provided to all investors, the firm may provide certain investors with additional information or more frequent reports that other investors will not receive.

Item 14 – Client Referrals and Other Compensation

From time to time, brokers, dealers, or other persons may refer clients or prospective clients to Sarofim Realty Advisors LLC, Fayez Sarofim & Co., or its other affiliates on an informal basis. The firms do not pay fees for these informal referrals. Furthermore, the firms will not select brokers or dealers to execute portfolio transactions solely on the basis that they have referred clients or prospective clients to the firm. Please refer to Item 12 Brokerage Practices.

Item 15 – Custody

“Custody” means holding, directly or indirectly, client funds or securities or having authority to obtain possession of them.

Sarofim Realty Advisors LLC does not provide custodial services.

Sarofim Realty Advisors LLC forms legal entities to hold title to real estate investments and other assets on behalf of our clients. Sarofim Realty Advisors LLC and Sarofim GP LLC are the general partner in some of the investment partnerships and the Funds. In this capacity of general partner, they is deemed to have custody of the assets. As a result of having deemed custody, Sarofim Realty Advisors LLC is subject to certain rules and regulations promulgated by the SEC to address our ability to control client assets. Sarofim Realty Advisors LLC complies with applicable custody rules by requiring all of the legal entities it has formed to be audited by an independent public accounting firm that is subject to inspection by the Public Company Accounting Oversight Board and by distributing these audited financial statements to the beneficial owners of the assets at least annually and within 120 days of the fiscal year end of the entity controlling the assets.

Item 16 – Investment Discretion

Sarofim Realty Advisors LLC will manage clients' assets on either a discretionary or non-discretionary basis. Most of our clients have granted us full discretionary authority to manage the investment of the assets in their accounts, and we prefer to manage accounts on this basis.

Before the firm may assume discretionary authority, the firm and the client must execute an investment advisory agreement and a limited power of attorney. The investment advisory agreement includes:

- A statement of the firm's appointment as investment manager
- A discussion of the duties and powers of the firm as investment manager, including discretionary authority
- A description of the duties of the client, including advising the firm of investment objectives and any specific restrictions
- Other pertinent information on matters such as compensation and termination

With full discretionary authority for an account and a signed power of attorney, the firm is able to do the following without obtaining the client's consent:

- Determine which assets to buy or sell
- Determine the total amount of assets to buy or sell, subject to available funds
- Determine the broker through which assets are bought or sold
- Negotiate with the selected broker regarding commission rates for transactions

Unless the client notifies the firm in writing of specific restrictions, the investments made on behalf of the client are considered not to be restricted.

When we provide services on a non-discretionary basis, we give the client investment advice, but we do not have the authority to implement our recommendations in the client's portfolio without the client's approval. The client may or may not follow the firm's advice.

The firm has discretionary authority to manage investments on behalf of the Funds. As a general policy, the Firm does not allow a Fund's limited partners to place limitations on this authority. Pursuant to the terms of the governing documents, however, the firm enters into "side letter" arrangements with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund are altered or varied. The firm assumes this discretionary authority pursuant to the terms of the applicable governing documents and powers of attorney executed by the limited partners of the Funds.

Item 17 – Voting Client Securities

Sarofim Realty Advisors LLC does not have authority to vote with respect to client securities. Based on the firm's investment strategies and the nature of the assets held by clients, the firm is unlikely to ever be in a position to receive a proxy on behalf of a client.

Clients or prospective clients may receive a copy of the firm's proxy voting policy by sending a written request to:

Scott Fitzgerald
Chief Executive Officer
Sarofim Realty Advisors LLC
2525 McKinnon Street, Suite 530
Dallas, TX 75201
sfitzgerald@sraco.com

Item 18 – Financial Information

The disclosures required by Item 18 do not apply to Sarofim Realty Advisors LLC. The firm does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the brochure. Neither Sarofim Realty Advisors LLC nor any of our affiliates has ever filed a bankruptcy petition.