

INVESTMENT ADVISER BROCHURE

DI INVESTMENT MANAGEMENT LP

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March 31, 2023

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of DI Investment Management LP (the “Management Company”). If you have any questions about the contents of this Brochure, please contact us at (972) 560-2820. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

The Management Company is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding The Management Company is also available on the SEC’s website at www.adviserinfo.sec.gov.

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ITEM 2—MATERIAL CHANGES

This is the first annual amendment to the Brochure. The initial Brochure was filed with the SEC on February 2, 2022. An other-than-annual amendment was filed on July 6, 2022 after the Firm's registration. The Management Company will provide clients with a summary of the material changes to this Brochure since its last annual update and may provide additional interim disclosure about material and other changes, if and as warranted. Because there was no prior annual update, we are not discussing material changes since that update. Material changes since July 6, 2022 are discussed below.

- *Item 4 – Advisory Business* – Updated regulatory assets under management as of December 31, 2022.
- *Item 5 – Fees and Compensation* – Provided more detailed information regarding Fund fees and expenses and compensation, consistent with Fund V Governing Documents.
- *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss* – Made various additions, revisions and updates to the risk factor disclosures.
- *Item 10 – Other Financial Industry Activities and Affiliations* – Updated disclosures regarding investments by its related persons in Fund portfolio companies.
- *Item 15 – Custody* – Provided information regarding compliance with Rule 206(4)-2 under the Advisers Act.

ITEM 4—ADVISORY BUSINESS

The Management Company, a Delaware limited partnership and a registered investment adviser, and its affiliated investment advisers provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. The Management Company commenced operations in **March 2019**.

The Management Company's clients include parallel funds, Dalfen Industrial Fund V, LP ("**DLMI V**"), Dalfen Last Mile Industrial Fund V-A LP ("**DLMI V-A**"), and Dalfen Industrial Ashrei Fund V, LP, ("**Ashrei V**" and together with DLMI V and DLMI V-A, "**Fund V**") each a Delaware limited partnership (each, a "**Fund**," and collectively, together with any future private investment fund to which the Management Company and/or its affiliates provide investment advisory services, the "**Funds**"). The Management Company also advises one legacy investment vehicle that holds real estate assets and with respect to which it does not have regulatory assets under management.

Dalfen Industrial Fund V GP, LP (together with any future general partners that may be formed from time to time, each a "**General Partner**," and together with the Management Company and their affiliated entities, "**Dalfen**" or the "**Advisers**"), is affiliated with the Management Company and serves as the general partner of the Funds.

Each General Partner is subject to the Advisers Act pursuant to the Management Company's registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business together with the Management Company.

The Funds are private investment funds and invest through negotiated transactions in operating entities, generally referred to herein as "properties." Dalfen's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. From time to time, where such investments consist of properties, the senior principals (the "**Principals**") or other personnel of Dalfen or its affiliates generally serve on the respective boards of directors of such properties (or certain joint ventures or holding vehicles thereof) or otherwise act directly or indirectly to influence control over management of properties in which the Funds have invested.

Dalfen's advisory services to the Funds are detailed in the relevant private placement memoranda or other offering documents (each, a "**Memorandum**"), limited partnership or other operating agreements of the Funds (each, a "**Partnership Agreement**" and, together with any relevant Memorandum, the "**Governing Documents**") and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." Investors in the Funds participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Governing Documents; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between Dalfen and any investor. The Funds or the General Partners generally enter into side letters or other similar agreements ("**Side Letters**") with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the Governing Documents with respect to such investors.

Additionally, from time to time and as permitted by the Governing Documents, Dalfen expects to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, Dalfen's personnel and/or certain other persons associated with Dalfen and/or its affiliates. Such co-investments typically involve investment and disposal of interests in the applicable property at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) is expected to purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the property (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally will occur shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in Dalfen's sole discretion, Dalfen reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

Each of the Funds relies upon and qualifies for an exclusion from the definition of "investment company" as set forth in Sections 3(c)7 or 3(c)(5)(C) of the Investment Company Act of 1940, as amended. Dalfen Industrial Ashrei Fund V, LP qualifies for and relies on Section 3(c)(5)(C) and therefore does not constitute a "private fund" for purposes of the Adviser's Act, Form ADV, or Form PF.

Assets under management including all Funds as of December 31, 2022 were approximately \$387 million. Dalfen is controlled by Sean Dalfen.

ITEM 5—FEES AND COMPENSATION

Description of Compensation and Fee Schedule

In general, Dalfen receives or expects to receive a management fee and a carried interest in connection with the provision of advisory services to its clients, consistent with the terms of each Fund's Governing Documents. Dalfen and/or its affiliates receive or expect to receive additional compensation in connection with management and other services performed for properties of Funds and such additional compensation will offset in whole or in part the management fees otherwise payable to Dalfen solely to the extent provided by the Governing Documents. In addition, in certain circumstances Dalfen receives compensation for management and other services performed in connection with co-investments made in properties of the Funds. Investors in a Fund also bear certain expenses, as detailed in the Governing Documents.

A Fund's General Partner generally will receive a carried interest with respect to the Fund in percentages, and subject to the calculation provisions, more fully described in the Governing Documents. The carried interest distributed to Dalfen is subject to a potential giveback at the end of life of the Fund if Dalfen has received excess cumulative distributions.

While fees and other compensation are described in detail in the applicable Governing Documents for each Fund, a general overview of such fees and compensation is set forth below. The following summary is qualified in its entirety by the applicable Fund Governing Documents. It is expected that future Funds will have a similar compensation structure.

Management Fees

DLMI V (along with its parallel investment entities with similar economic terms and its and their subsidiaries (including a REIT Subsidiary (defined below), if applicable)) will pay the General Partner (or an affiliate thereof) an annual management fee (the "**Management Fee**"), payable quarterly in advance, equal to (a) until the expiration of the Investment Period (as defined in Fund Governing Documents) or such earlier time upon the occurrence of certain events set forth in the DLMI V Governing Documents, the sum of each limited partner's Commitment multiplied by 1.5% (other than any limited partner designated as an affiliated partner by the General Partner), and (b) thereafter, the sum of each limited partner's Net Equity Invested (defined below) multiplied by 1.5% (other than any limited partner designated as an affiliated partner by the General Partner). The Fund may offset and reduce amounts otherwise distributable to a limited partner in order to pay the Management Fee to the Manager (or an affiliate thereof). The Management Fee is permitted to be reduced in the manner designated in the DLMI V Governing Documents in exchange for a reduction in the General Partner's aggregate cash capital contribution obligation and/or a corresponding interest in Fund profits.

"Net Equity Invested" means, with respect to a limited partner as of any date of determination, means an amount equal to (i) such limited partner's aggregate investment contributions plus such limited partner's share of the aggregate amounts committed by the Fund to be drawn in respect of Fund investments (including follow-on investments and amounts budgeted in respect of development or development activities) to the extent capital has not yet been called therefor, in each case for investments that have not been completely disposed of or completely written off, less (ii) such limited partner's share of aggregate write-down amounts with respect to unrealized investments that have been permanently

written-down as of such time, subject to certain adjustments as set forth in the DLMI V Governing Documents.

The Management Fee will commence as of the Fund V Effective Date (as defined in Governing Documents), regardless of when a limited partner is actually admitted. Limited partners that are admitted or increase their Commitments in a subsequent closing after the Effective Date will be assessed Management Fees retroactive to the Effective Date as if such limited partner was admitted for its full Commitment on the Effective Date and, without reducing such limited partner's unfunded Commitment to the Fund, will be charged an additional amount calculated at 8% per annum on the amount of such assessed Management Fees, from the date such Management Fee payments would have been due if such limited partner were admitted for its full Commitment on the initial closing date. Any such amounts will be paid by the Fund to the Manager (or an affiliate thereof). The Management Fee will be paid out of current income and investment proceeds of the Fund and/or, in the General Partner's discretion, from drawdowns that will reduce unfunded Commitments.

The General Partner, in its sole discretion, has designated and may in the future designate certain Partners as "affiliated partners" that will be exempted from all or some portion of the Management Fee. In addition, certain investors and Co-Investment Vehicles are not subject to Management Fees or have negotiated agreements for a reduced fee. Ashrei V is not subject to Management Fees.

Transaction Fees

In DLMI V or any parallel investment entities with similar economic terms, the Management Fee will be reduced by an amount equal to 100% of Transaction Fees attributable to Partners not designated as "affiliated partners" by the General Partner. In Ashrei V or any parallel investment entities with similar economic terms, any Transaction Fees will be paid over to Ashrei V or such parallel investment entities and treated as distributable proceeds. "**Transaction Fees**" include 100% of any: (i) directors' fees, financial consulting fees or advisory fees paid to the General Partner with respect to any Fund investment; (ii) transaction fees paid to the General Partner with respect to any Fund investment; and (iii) break-up fees with respect to Fund transactions not completed that are paid to the General Partner, in each case net of certain expenses (including all unreimbursed costs and expenses incurred by the General Partner in connection with any consummated or unconsummated transaction or in connection with generating any such Transaction Fees) as set forth in Fund governing documents; but not including, in any event, any amount received by the General Partner or other person from a portfolio investment (a) as reimbursement for expenses directly related to such portfolio investment, (b) as payment for services provided to any portfolio investment in the ordinary course of such portfolio investment's business, (c) as compensation for services provided by the General Partner or other person as an employee of or in a similar capacity for such portfolio investment or (d) any compensation paid to an affiliate of the General Partner or other Person with respect to the functions and services described in the "Property Level Services" section below.

To the extent that any other fund or any other entity or individual co-invests alongside the Fund in any portfolio investment, any Transaction Fees will be allocated among the Fund and the co-investors in proportion to the cost of the investment or potential investment in the portfolio investment held (or committed to be held) by each. Accordingly, the Fund will, in most cases, only benefit from its allocable portion of any such Transaction Fee and not the portion of any fee allocable to any other investor in a portfolio investment or prospective portfolio investment.

Carried Interest

Subject to the terms and conditions set forth in Fund V Governing Documents, the General Partner or an affiliate of the Firm is entitled to receive an incentive distribution up to 20% of Distributable Proceeds, as defined in Fund Governing Documents (“**Carried Interest**”). The Carried Interest distribution is subject to limited partners receiving a return of all funded capital commitments and a preferred return on such amount at the rate of 8% per annum compounded annually (the “**Preferred Return**”).

For Ashrei V, Distributed Proceeds are reduced by an amount equal to 10% of the Distributable Proceeds (the “**Developer’s Fee**”), which amount is paid to the General Partner or its designated affiliate. Thereafter, Distributable Proceeds are distributed first to limited partners until they have received a return of all funded capital commitments and an 8% Preferred Return. Thereafter the General Partner is allocated a 25% Carried Interest.

Distributions may consist of cash, securities or other assets of the Fund; provided that, except (i) for distributions that the General Partner has offered each limited partner the right to receive in the form of net proceeds or (ii) with the consent of the Limited Partner Advisory Committee as established under Fund Governing Documents (“**Advisory Committee**”), prior to the dissolution of the Fund, distributions to the limited partners will only be in the form of cash or marketable securities.

The Fund is expected to make cash distributions to the General Partner in an amount sufficient to pay the General Partner’s income taxes on income allocated to the General Partner for tax purposes on account of its carried interest as described in Fund Governing Documents.

The General Partner, in its sole discretion, has designated and may in the future designate certain Partners as “affiliated partners” that will be exempted from all or some portion of the carried interest .

Upon the final distribution of the Fund’s assets, the General Partner will be required to restore distributions to DLMI V and any parallel investment entities with similar economic terms for distribution to the applicable limited partner to the extent that (i) it has received carried interest distributions in excess of 20% of the Fund’s net profit distributions, or (ii) it has received carried interest distributions and such limited partner has not received the Preferred Return, but in no event more than the cumulative carried interest distributions received by the General Partner with respect to such limited partner, less income taxes thereon.

Property Level Service Compensation

The General Partner or its affiliates are permitted to and do provide Property Services or Support Services (each, as defined in Fund governing documents) to the Fund and portfolio investments that would otherwise be performed for the Fund or such investment by third parties on terms that are determined by the General Partner to be fair and reasonable to the Fund or such investment. Property Services include or may include property management and property management oversight, leasing and leasing oversight, corporate services (including accounting, financial and reporting), real estate title and title insurance services, construction management, development, debt placement, brokerage, sales agent and transaction support services. The General Partner or its affiliates receive fees for providing Property Services; provided that any such fees do not exceed the rate that would be payable by the Fund or such investment if such services were provided by unaffiliated third parties in the business of providing comparable services, unless otherwise consented to by the Advisory Committee. The General Partner

or its affiliates will not receive a separate fee for providing Support Services, but it is intended that the Fund will reimburse the General Partner and its affiliates for any overhead expense (including rent, utilities, office maintenance, office supplies and hardware, storage, human resources and benefits administration, technology and software costs) and employee compensation costs (including salary, bonus, deferred compensation, salary overhead, payroll administration and charges and other personnel costs) that the General Partner determines are applicable to such Support Services, unless otherwise consented to by the Advisory Committee. Property Services and Support Services provided to the Fund or any investment during a fiscal year will be disclosed to the Advisory Committee during the following fiscal year.

Other Fees and Expenses

In addition to the Management Fee and Carried Interest payable to Dalfen, each Fund bears certain expenses, as set forth more fully in the Governing Documents. The Funds also bear expenses indirectly to the extent a property (or intermediate entity) pays expenses, including expenses of Dalfen and/or its affiliates. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of properties and intermediate holding vehicles through which the Fund invests. As is typical for private funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses.

Fund Expenses

The Fund will reimburse the General Partner for the Fund's and its affiliated entities' organizational and startup expenses ("Organizational Expenses"), including travel (including, where appropriate as determined by the General Partner, the cost of using private aircraft or other private air travel at the cost of first class commercial airfare, other travel, car or ride sharing services, other modes of transportation, meals, lodging, and entertainment), legal, capital raising, accounting, tax, consulting, regulatory compliance (including the initial compliance contemplated by the Alternative Investment Fund Managers Directive ("AIFMD") or any similar law, rule or regulation), any administrative or other filings and other organizational expenses incurred in connection with the structuring, organization, negotiating, funding and start-up of the Fund, the General Partner, including the preparation of, and negotiations with respect to, the Fund's private placement memorandum and supplements thereto, investor presentations and other marketing materials, the Partnership Agreements, subscription agreements and any side letters or similar agreements, any agreements with placement agents and any other similar agreements, and out-of-pocket costs incurred by placement agents, finders or other Persons performing similar services in connection with the foregoing, but not including any costs and expenses incurred pursuant to any "most-favored nations" process, or any placement fees ("Placement Fees") payable to any placement agent in connection with the formation of the Fund. The General Partner will bear the cost (through an offset against the Management Fee or otherwise) of all such organizational expenses in excess of the cap set forth in the Partnership Agreements, if any, and any Placement Fees.

The Fund will pay, or reimburse the General Partner or any other Person advancing payment for, all other fees, costs, expenses, liabilities and obligations relating to the Fund and/or its activities, business, subsidiaries or actual or potential portfolio investments (to the extent not borne or reimbursed by a subsidiary or a portfolio investment or potential portfolio investment), including all fees, costs, expenses, liabilities and obligations (referred to collectively in this definition as "costs")

relating or attributable to: (i) activities with respect to the origination, identification and sourcing of investment opportunities for the Fund, including attending and sponsoring industry conferences and events, meeting with consultants, finders, broker-dealers, investment banks and other sources of investments and developing and maintaining an investment pipeline; (ii) activities with respect to the pursuing, developing (including costs and expenses of tenant and capital improvement) structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to any periodicals, databases or research services), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, leasing, servicing, taking public or private, selling, valuing, winding up, liquidating, dissolving, or otherwise disposing of, as applicable, subsidiaries and actual and potential investments (including follow on investments) and in connection with any REIT subsidiary (including costs attributable to qualifying any REIT subsidiary as a REIT and maintaining such qualification) or an ERISA operating company (including costs attributable to structuring the Fund to qualify or preserve the ability to qualify, or structuring any acquisition financing or other transaction with respect to any such Person to qualify or preserve the ability to qualify, as an ERISA operating company and maintain such qualification) or in seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other costs payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party diligence, software and service providers, consultants and similar professionals in connection therewith); (iii) indebtedness of, or guarantees made by, the Fund or the General Partner, the Manager, or any affiliates of the General Partner or the Manager on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iv) financing, commitment, origination and similar activities; (v) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement, sales, investment banker and similar services; (vi) brokerage, sale, custodial, depository, local paying agent, trustee, record keeping, account registered office and similar services (including any depository appointed pursuant to the AIFMD and any Swiss representative or paying agent appointed pursuant to the Swiss Collective Investment Schemes Act (as amended), including any law, rule or regulation relating to the implementation thereof); (vii) reporting, filings and other ongoing compliance requirements contemplated by the AIFMD or any similar law, rule or regulation (excluding, for the avoidance of doubt, the initial and/or preliminary registrations, filings and compliance obligations related thereto), including secondary legislation, regulations, rules and/or associated guidance, and any related requirements; (viii) legal, accounting, research, auditing, technology, administration (including costs associated with any third-party administrator and administration, tracking or reporting software, if any), information, advisory, valuation (including third-party valuations, fairness opinions, appraisals or pricing services), real estate title, survey, hedging, consulting (including consulting and retainer fees, salary and other compensation paid to, and benefits or personnel costs provided to or on behalf of, consultants performing investment initiatives or providing services related to environmental, social and governance investment considerations and policies and other consultants), tax and other professional services (including costs related to the establishment or maintenance of any such activities or services) (including amounts contemplated in Section IX – “Summary of Principal Terms – Services”); (ix) property management, leasing, construction management, development, environmental, brokerage, sales agents, and other services (including amounts contemplated in Section IX – “Summary of Principal Terms - Services”); (x) reverse breakup, termination and other similar arrangements; (xi) insurance, including directors and officers liability, fidelity bond, title, cybersecurity, errors and omissions liability, crime coverage, property and casualty and general partnership liability premiums and other insurance (including costs related to any retention or deductibles and broker costs and commissions) and any consultants or other advisors utilized in the procurement, review, maintenance

and analysis of insurance; (xii) filing, title, transfer, survey, registration and other similar activities; (xiii) printing, communications, mailing, courier, marketing and publicity; (xiv) the preparation, distribution or filing of financial statements or other reports, tax returns, tax estimates, Schedule K-1s or similar forms or other communications with Partners, any other administrative, compliance or regulatory filings or reports (including Form PF and Bureau of Economic Analysis Reports), or other information, including costs of any third-party service providers and professionals related to the foregoing; (xv) compliance with any tax or financial account reporting regime, including FATCA, the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard and any similar laws, rules and regulations, including any costs of any third-party service providers and professionals related to the foregoing; (xvi) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, investor reporting, ledger systems, financial management, cybersecurity and cybersecurity monitoring) or other administrative or reporting tools (including subscription-based services); (xvii) any activities with respect to protecting the confidential or non-public nature of any information or data, (including any costs incurred in connection with the EU Data Protection Law or the Freedom of Information Act); (xviii) to the extent provided in Partnership Agreements or otherwise approved by the General Partner in its sole discretion, activities or proceedings of the Advisory Committee (including any reasonable out-of-pocket costs incurred by representatives of the General Partner, the Advisory Committee members, permitted observers and other Persons in attending or otherwise participating in meetings of the Advisory Committee); (xix) indemnification (including legal and any other costs incurred in connection with indemnifying any Partner or other Person pursuant to the Partnership Agreements or otherwise and advancing costs incurred by any such Person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Partnership Agreements), except as otherwise set forth in the Partnership Agreements; (xx) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs of discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xxi) any annual, periodic or special meeting of the Partners and any other conference, meeting or webcast or other video conference with any Partner(s) (in each case, including any costs associated with venue, set-up, room and board, dining, entertainment, honorarium, events or speakers and other meeting or conference-related costs), in each case to the extent incurred by the Fund or the General Partner; (xxii) the Management Fee (if applicable); (xxiii) except as otherwise determined by the General Partner in its sole discretion, any cost relating to any alternative investment vehicle or its activities, business, subsidiaries or actual or potential investments that would be a Fund Expense if it were incurred in connection with the Fund and any other costs related to any structuring or restructuring of any Fund entity; (xxiv) the termination, liquidation, winding up or dissolution of the Fund and any Persons owned directly or indirectly by the Fund (including portfolio investments) and related entities; (xxv) defaults by Partners in the payment of any capital contributions; (xxvi) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, the General Partner, any entities owned directly or indirectly by the Fund (including portfolio investments) and any alternative investment vehicle, including the preparation, distribution and implementation thereof; (xxvii) (A) compliance with any law, rule, regulation, policy, directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money laundering, sanctions or anti-terrorism considerations), including any legal, administrator, consulting or other third-party service provider costs related thereto, any regulatory costs of the General Partner or any of its affiliates incurred in connection with the operation of the Fund and any costs related to compliance with any environmental, social or governance or other investment considerations and policies applicable to the Fund, the General Partner and/or any of their respective affiliates and/or (B) the validation or other confirmation of any payments made to the Fund or the General Partner

(including as a result of any anti-money laundering laws, rules or regulations); (xxviii) any litigation or governmental inquiry, investigation or proceeding, including any costs of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such costs or amounts have been determined to be excluded from the indemnification provided for in the Partnership Agreements; (xxix) any consultants, experts or advisors engaged, including independent appraisers engaged in connection with the Fund considering, making, holding or disposing of, directly or indirectly, an investment in the same Person as one or more investment vehicles (other than the Fund) managed or controlled by the General Partner or any of its affiliates; (xxx) unreimbursed costs incurred in connection with any transfer or proposed transfer or any Limited Partner's name change, internal restructuring or change in trust, registered agent or custodian; (xxxi) any taxes, fees and other governmental charges levied against the Fund and all costs incurred in connection with any tax audit, inquiry, investigation settlement or review of the Fund (except to the extent that the Fund is reimbursed therefor by a partner) and any costs of or related to the "partnership representative" or "designated individual" of the Fund; (xxxii) distributions to the partners and other costs associated with the acquisition, holding and disposition of investments, including extraordinary expenses; (xxxiii) compliance or regulatory matters, except as otherwise set forth in the Partnership Agreements, including compliance with the Partnership Agreements and/or any side letter or similar agreement (including any "most favored nations" process); (xxxiv) any travel (including, where appropriate as determined by the General Partner, the cost of using private aircraft or other private air travel at the cost of first class commercial airfare, other travel, car or ride sharing services, other modes of transportation, meals, lodging, and entertainment) and other meals and entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxv) all costs and expenses associated with operating a Feeder Fund which invests all or substantially all of its assets in the Fund to the extent not paid by investors in such Feeder Fund, including all expenses associated with its formation, management, operation, winding-up, liquidation and dissolution and with preparing and distributing such Feeder Fund's financial statements, tax returns and Feeder Fund limited partner reports, but not including any income based or similar taxes, fees or other governmental charges levied against such Feeder Fund; (xxxvi) any costs and expenses incurred pursuant to any "most-favored nations" process; (xxxvii) any of the items listed in clauses (i) - (xxxv) above relating to any investment, restructuring, taking public or private, disposition, transaction, project or other opportunity not consummated or otherwise not successful and/or that may have been offered to co-investors or joint venture partners (including co-investors' or joint venture partners' proportionate share of any expenses related to an investment or other opportunity not consummated); (xxxviii) any Organizational Expenses; (xxxix) any Placement Fees; and (xl) any other costs approved by the Advisory Committee.

Expense Allocations & Reimbursements

Subject to any relevant restrictions or other limitations contained in the Governing Documents, Dalfen will allocate fees and expenses in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion. In exercising such discretion, Dalfen expects to be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions generally will be made by Dalfen or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but

in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or Dalfen. The Funds generally have different expense reimbursement terms, including with respect to management fee offsets, which is expected from time to time to result in the Funds bearing different levels of expenses with respect to the same investment.

Other Information

Dalfen is permitted to exempt and has exempted certain investors in the Funds from payment of all or a portion of Management Fees and/or Carried Interest, including Dalfen and any other person designated by Dalfen, such as “friends and family” of Dalfen or its personnel, or other investors meeting certain qualification requirements based on commitment size or other strategic or relationship factors. The relevant General Partner reserves the right to make any such exemption from management fees and/or carried interest by a direct exemption, a rebate by Dalfen and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where a Dalfen professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the management fee and/or carried interest with respect to such Fund. Additionally, to the extent permitted by the Governing Documents, certain General Partners have the right to permit investors, affiliated with the General Partner or otherwise, to invest through the relevant General Partner or other vehicles that do not bear management fees and/or carried interest. In general, the management fee offsets described above apply only with respect to the Commitments of fee-paying investors. Dalfen retains flexibility to structure its compensation from investors and expects in certain circumstances to agree to invoice an investor directly for management fees or other compensation, rather than deducting such amounts from the investor’s capital account(s).

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Governing Documents, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other current or former employees of Dalfen generally receive salaries and other compensation derived from, and in certain cases including a portion of, the management fee, carried interest or other compensation received by Dalfen or its affiliates.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors (including related persons of Dalfen, to the extent permitted by the Governing Documents) to co-invest in properties alongside one or more Funds, subject to Dalfen’s related policies and practices and the Governing Documents and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, all Broken Deal Expenses relating to such proposed transaction will be borne by the Fund(s), and not by any potential co-investors, that were to have participated in such transaction. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to

bear its share of such Broken Deal Expenses. To the extent the Fund makes use of a credit facility to invest in a property or pay related expenses, it generally will not be reimbursed separately by co-investors for use of the facility.

Dalfen and/or its affiliates generally have discretion over whether to charge supplemental fees to a property and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a property's holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of these fees generally will give rise to potential conflicts of interest between the Funds, on the one hand, and Dalfen and/or its affiliates on the other hand.

ITEM 6—PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under “Fees and Compensation,” the relevant General Partner generally receives a carried interest allocation on certain realized profits in the relevant Fund. Dalfen does not advise Funds that are not subject to a carried interest, although it generally has the authority to waive carried interest with respect to certain affiliated partners as described under “Fees and Compensation.” Additionally, to the extent that Dalfen has Funds with varying carried interest terms and/or Dalfen personnel are assigned varying percentages of carried interest from the Funds, Dalfen and such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

The existence of performance-based compensation has the potential to create an incentive for the General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Dalfen generally considers performance-based compensation to better align its interests with those of its investors.

ITEM 7 – TYPES OF CLIENTS

Dalfen provides investment advice solely to its Fund clients, and references throughout this Brochure to “clients” and to Dalfen’s related duties to and practices on behalf of its clients and/or investors should be construed accordingly. Historically, Dalfen’s services have been provided to pooled investment vehicles with a real estate focus, whose investment in securities has been maintained below percentages set forth in the Investment Company Act of 1940, as amended, and the rules and regulations thereunder (the “**Investment Company Act**”). The Funds generally include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act. The investors participating in the Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and from time to time include, directly or indirectly, Principals or other employees of Dalfen and its affiliates and members of their families, or other service providers retained by Dalfen.

The relevant General Partner also generally is permitted from time to time to establish Funds that are alternative investment vehicles in order to permit certain investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the Governing Documents related Fund.

Each Fund generally has a minimum investment amount for third-party investors, and Fund interests are offered and sold solely to “accredited investors,” as that term is defined in Regulation D promulgated under the U.S. Securities Act of 1933, as amended. Other investor qualifications, requirements and restrictions generally will apply to different Funds, depending on each Fund’s relevant exemption from various securities and other laws. Dalfen generally is permitted to waive certain investor restrictions.

ITEM 8—METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

Dalfen is a private investment firm focused on assembling a portfolio of value-add last mile industrial real estate believed to benefit from Dalfen's in-house operating professionals and experience. Dalfen's investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments. Investments are predominantly of non-public companies, although investments in public companies are permitted.

Dalfen's investment strategy for each Fund focuses on acquiring, managing, and selectively developing high quality last mile industrial assets located near consumers, businesses, and key infrastructure. Dalfen concentrates on: (i) targeting favorable last mile locations; (ii) acquiring assets with solvable problems; and (iii) treating tenants as clients in order to create valuable portfolios at exit.

There can be no assurance that Dalfen will achieve the investment objectives of any Fund, and a loss of investment is possible.

Risks of Investment

Each Fund and its investors bear the risk of loss that Dalfen's investment strategy entails. The risks involved with Dalfen's investment strategy and an investment in a Fund include, but are not limited to:

General Real Estate Risks. Each Fund's investments will be subject to the risks incidental to the ownership and operation of real estate and real estate-related businesses and assets, including changes in the general economic climate, local, national or international conditions (such as an oversupply of space or a reduction in demand for space), the quality and philosophy of management, competition based on rental rates, attractiveness and location of the properties and changes in the relative popularity of property types and locations, the physical attributes of the building with respect to the current or future technological needs of the tenants, changes in the financial condition of tenants, buyers and sellers of properties, changes in operating costs and expenses, uninsured losses or delays from casualties or condemnation, changes in applicable laws, the quality of a building's tenants, government regulations (including those governing usage, improvement and zoning) and fiscal policies, the availability of financing, the strength of the local labor and financial markets, interest rate levels, environmental liabilities (including remediation expenses), contingent liabilities, successor liability for investments in existing entities (*e.g.*, buying out a distressed partner or acquiring an interest in an entity that owns a real property), acts of God, acts of war (declared or undeclared), terrorist acts, global pandemics, work stoppages, shortages of labor, strikes, union relations and contracts, fluctuating prices and supply of labor and/or other labor-related factors and other factors beyond the control of Dalfen, the relevant General Partner, the relevant Fund and their respective affiliates.

Industrial Investments. Each Fund's investments will be primarily concentrated in the industrial real estate sector, and the demand for industrial space in the U.S. is related to the level of economic output. Accordingly, reduced economic output may lead to lower occupancy rates for a Fund's investments and a Fund's concentration in the industrial sector may expose the Fund to the

risk of economic downturns in such sector to a greater extent than if the Fund's business activities included a more significant portion of other sectors of the real estate industry.

Future and Past Performance. The performance of Dalfen's Principals' prior investments is not necessarily indicative of any Fund's future results. While Dalfen intends for each Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Concentration of Investments. Each Fund will participate in a limited number of investments primarily in the industrial real estate sector and intends to make most of its investments in certain regions within a short period of time. As a result, a Fund's investment portfolio is expected to be highly concentrated, and the performance of a few holdings or of a particular region may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer real estate and real estate-related assets and thus be less diversified.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing real estate and real estate-related transactions is highly competitive and involves a high degree of uncertainty. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, regardless of the extent to which the commitments of a Fund's investors are invested (or drawn down to be invested), investors generally will be required to pay management fees during a Fund's investment period based on the entire amount of commitments and other expenses as set forth in the Governing Documents.

Dynamic Investment Strategy. While Dalfen generally intends to seek attractive returns for each Fund primarily through acquiring, managing, and selectively developing U.S. last mile industrial real estate as described herein, Dalfen may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate.

Need for Follow-On Investments. Following its initial investment, a Fund is authorized to invest additional funds in such investment and to increase its investment by investing in additional assets related thereto (whether for opportunistic reasons, to fund the needs of the investment, as an equity cure under applicable debt documents or for other reasons). There is no assurance that any Fund will make follow-on investments or that a Fund will have sufficient funds to make all or any of such investments (including an event of default under applicable debt documents in the event an equity cure cannot be made). Any decision by a Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a particular real estate asset in need of such an investment.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund and management fees

payable may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded commitments.

Leveraged Investments. Each Fund intends to employ leverage in the acquisition, operation and ownership of its investments and has the authority to refinance its investments, if desirable. Debt could take the form of mortgage or other financing at the property level or ownership level. Such use of leverage generally magnifies a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by a Fund will also result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. Leveraged investments generally are subject to restrictive financial and operating covenants and each Fund is authorized to provide guarantees in order to secure such leverage. In the event an investment cannot generate adequate cash flow to meet debt service, the relevant Fund is likely to suffer a partial or total loss of capital invested in the investment, which would adversely affect the returns of that Fund. Furthermore, should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of an investment, a Fund may not achieve an exit capitalization rate consistent with its forecasts. Each Fund is also authorized to borrow money or guaranty indebtedness (such as a guaranty of an investment's debt) so long as such incurrence would not cause the aggregate amount of the Fund's indebtedness for borrowed money (including its pro rata share of such indebtedness of its direct or indirect controlled subsidiaries) to exceed 65% of the greater of (x) the cost of the Fund's investments and (y) the fair value of the Fund's investments plus reserves and uncalled Commitments. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are expected to be secured by capital commitments made by the Fund's investors and such investors' contributions may be required to be made directly to one or more lenders instead of the Fund.

Credit Facilities. Each Fund expects to enter into a credit facility with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments) as well as to pay management fees (if applicable) and various expenses. Fund-level borrowing subjects investors to certain risks and costs. For example, because amounts borrowed under a credit facility typically are secured by pledges of the relevant General Partner's right to call capital from investors, investors may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a credit facility or experiences an event of default thereunder. Moreover, any investor claim against a Fund would likely be subordinate to the Fund's obligations to a credit facility's creditors.

In addition, Fund-level borrowing will result in incremental partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a credit facility, an upfront fee for establishing a credit facility, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility. Because a credit facility's interest rate is based in part on the creditworthiness of the relevant Fund's investors and the terms of the Governing Documents, it may be higher than the interest rate an investor could obtain individually. To the extent a particular investor's cost of capital is lower than a Fund's cost of borrowing, Fund-level borrowing can negatively impact an investor's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts

of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for investor to make contributions to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of Dalfen and its affiliates. Conflicts of interest also have the potential to arise to the extent that a credit facility is used to make an investment that is later sold in part to co-investors, as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the credit facility and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement often contains other terms that restrict the activities of the Fund and the limited partners or impose additional obligations on them. For example, a credit facility often includes concentration limits or other covenants that affect the Fund's strategy, and may impose restrictions on the relevant General Partner's ability to consent to the transfer of an investor's interest in the Fund. In addition, in order to secure a credit facility, the relevant General Partner may request certain financial information and other documentation from investors to share with lenders. A General Partner will have significant discretion in negotiating the terms of any credit facility and may agree to terms that are not the most favorable to one or more investors.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a credit facility allows a General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then current amount outstanding under a credit facility could cause short-term liquidity concerns for investors that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by the Fund. This risk would be heightened for an investor with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the investor to meet the accumulated, larger capital calls at the same time. A Fund may also utilize Fund-level borrowing when the relevant General Partner expects to repay the amount outstanding through means other than investor capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, investors would end up with increased exposure to the underlying investment, which could result in greater losses.

Potential Restrictive Covenants. Each Fund is permitted to enter into a credit facility with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments). It is anticipated that any such credit facility will contain a number of common covenants that, among other things, might restrict the ability of a Fund to: acquire or dispose of assets or businesses; incur additional indebtedness; make expenditures, distributions or capital calls; create liens on assets; enter into leases, investments or acquisitions; consent to transfers of interests in the Fund; make amendments to the governing documents of the Fund; or engage in certain transactions with affiliates, and otherwise restrict activities of the Fund without the consent of the lenders. In addition, such a credit facility would likely require the Fund to maintain specified financial ratios and comply with tests, including minimum interest coverage ratios, maximum leverage ratios, minimum net worth and minimum equity capitalization requirements.

Limited Transferability of Fund Interests. There will be no public market for Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund

interests under the Governing Documents and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for Fund investments, and hence, most of a Fund's investments will be difficult to value. Certain investments may be distributed in kind to investors and it may be difficult to liquidate such investments received at a price or within a time period that is determined to be ideal by such investors. After a distribution of an investment is made to investors, many investors may decide to liquidate such investment within a short period of time, which could have an adverse impact on the price of such investment. The price at which such investment may be sold by investors may be lower than the value of such investment determined pursuant to the Governing Documents, including the value used to determine the amount of carried interest available to the relevant General Partner with respect to such investment.

Absence of Operating History. A Fund being offered by Dalfen generally has no operating history and will be entirely dependent on the relevant General Partner. Furthermore, there can be no assurance that any Fund's investments will achieve results similar to those attained by previous investments of the Principals. In addition, a Fund's investments may differ from previous investments made by the Principals in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular investment, amount of leverage used, structure, and holding period.

Reliance on the General Partner. Control over the operation of each Fund will be vested with the relevant General Partner, and the Fund's future profitability will depend largely upon the business and investment acumen of the Principals. The loss or reduction of service of one or more of the Principals could have an adverse effect on a Fund's ability to realize its investment objectives. In addition, the Principals currently manage other investments and may in the future manage other investments and/or investment funds besides the relevant Fund, and the Principals may need to devote substantial amounts of their time to the investment activities of such other

investments and/or funds, which may pose conflicts of interest in the allocation of the time of the Principals. Investors generally have no right or power to take part in the management of any Fund, and as a result, the investment performance of each Fund will depend on the actions of the relevant General Partner. In addition, certain changes in the General Partner or circumstances relating to the General Partner may have an adverse effect on the Fund or one or more of its real estate and real estate-related assets including potential acceleration of debt facilities.

Third Party Co-Investment; Reliance on Third-Party Joint Venture Partners and Managers. Each Fund is permitted to co-invest through partnerships, joint ventures or other entities with one or more third parties as a co-venturer or partner, including with the seller (or an affiliate thereof) of the property, a person involved in the selling or acquisition of the property, an investor in the Fund (or other vehicle controlled by Dalfen) or other third parties. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that: (i) the Fund and such co-venturer may reach an impasse on a major decision that requires the approval of both parties; (ii) a co-venturer or partner of the Fund may at any time have economic or business interests or goals that are inconsistent with those of the Fund; (iii) the co-venturer or partner may encounter liquidity or insolvency issues or may become bankrupt; (iv) the co-venturer or partner may be in a position to take action contrary to the Fund's investment objective; (v) the co-venturer or partner may take actions that subject the property to liabilities in excess of, or other than, those

contemplated; or (vi) in certain circumstances the Fund may be liable for actions of its co-venturers or partners. The co-venturer or partner is expected from time to time to be a joint venture partner or interest holder in another joint venture or other vehicle in which Dalfen or its affiliates has an interest or otherwise controls. The co-venturer or partner is also expected to be entitled to receive payments from, or allocations or performance-based compensation (*e.g.*, carried interest) in respect of, the Fund as well as such investments, and in such circumstances, any such amounts may be treated as a Fund Expense and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by Dalfen, be deemed paid to or received by Dalfen or reduce the management fee (if applicable). Moreover, Dalfen is generally permitted to receive fees (including asset management fees, property management fees, financing fees, acquisition fees, leasing commission fees and other market fees) and reimbursement for expenses associated with capital invested by a co-venturer or partner relating to investments in which each Fund participates. This may be in connection with a joint venture in which a Fund participates or other similar arrangements with respect to assets or other interests retained by a seller or other commercial counterparty with respect to which Dalfen performs services. In addition, the Fund is permitted to co-invest with non-affiliated co-investors or partners whose ability to influence the affairs of the investments in which the Fund invests may be significant, and even greater than that of the Fund and as such, the Fund may be required to rely upon the abilities and management expertise of such co-venturer or partner. It may also be more difficult for the Fund to sell its interest in any joint venture, partnership or entity with other owners than to sell its interest in other types of investments (and any such investment may be subject to a buy-sell right). The Fund is permitted to grant co-venturers or partners approval rights with respect to major decisions concerning the management and disposition of the investment, which would increase the risk of deadlocks or unanticipated exits from an investment. A deadlock could delay the execution of the business plan for the investment or require the Fund to engage in a buy-sell of the venture with the co-venturer or partner or conduct the forced sale of such investment or require alternative dispute resolution in order to resolve such deadlock. As a result of these risks, a Fund may be unable to fully realize its expected return on any such investment. Further, to the extent that a Fund offers any co-investment opportunity to any investors or third parties, some or all of the risks described above may also apply to such co-investments.

Further, each Fund expects to rely on third parties (some of which may also become co-investment partners with the Fund) to act as developers or joint venture partners in connection with the acquisition, development, construction, renovation or operation of its properties. This reliance on third-party developers or joint venture partners may increase the costs to a Fund through the payment of development fees, incentive fees, management fees and other amounts and may increase the risks to the Fund if, and to the extent, such a developer or operator fails or is unable to comply with agreed-upon plans, budgets or timetables.

Expedited Transactions. Investment analyses and decisions by Dalfen may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to Dalfen at the time of making an investment decision may be limited, and they may not have access to detailed information regarding the investment property, such as physical characteristics, environmental matters, zoning regulations or other local conditions affecting an investment property. Therefore, no assurance can be given that Dalfen will have knowledge of all circumstances that may adversely affect an investment. In addition, Dalfen expects to rely upon independent consultants in connection with its evaluation of proposed investment properties, and no assurance can be given as to the accuracy or completeness of the information provided by such

independent consultants or to any Fund's right of recourse against them in the event errors or omissions do occur.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private funds industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on a Fund's activities, including the ability of any Fund to effectively and timely address such regulations, execute its investment strategy or achieve its investment objectives.

The combination of such scrutiny of private fund sponsors (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the recent downturn in the U.S. and global financial markets, may complicate or prevent a Fund's efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, a Fund may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

Projections. Projected performance for each Fund's investments normally will be based primarily on financial projections. In all cases, projections are only estimates of future results that are based upon information relating to investments and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Impact of Government Regulations. Government authorities at all levels are actively involved in the regulation of land use and zoning, environmental protection and safety and other matters affecting the ownership, use and operation of real property. Regulations may be promulgated that could restrict or curtail certain usages of existing structures, or require that such structures be renovated or altered in some manner. The promulgation and enforcement of such regulations could increase expenses, and lower the income or rate of return, as well as adversely affect the value of any of the Fund's investments. Operators are also subject to laws governing their relationship with employees, including minimum wage requirements, overtime, working conditions and work permit requirements. Compliance with, or changes in, these laws could reduce the revenue and profitability of the Fund.

Alternative Investment Fund Managers Directive. The EU Alternative Investment Fund Managers Directive (the "AIFMD") regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area ("EEA"). If a Fund is actively marketed to investors domiciled or having their registered office in the EEA in circumstances where no transitional relief is available: (i) the Fund may be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which may result in the Fund incurring additional costs and expenses; (ii) the Fund and/or the relevant General Partner may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which may result in the Fund incurring additional costs and expenses or otherwise affect the management and operation of the Fund; (iii) the relevant General Partner may be required to make detailed information relating to the Fund and its investments available to regulators and third parties; and (iv) the AIFMD may also restrict certain activities of the Fund in relation to EEA investments including, in some circumstances, a Fund's ability to recapitalize, refinance or potentially restructure an EEA investment within the first two years of ownership. In addition, it is

possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which may make it more difficult for the Fund to raise its targeted amount of Commitments.

Hedging Arrangements. Each General Partner expects (but is not obligated) to endeavor to manage the Fund's or any investment's currency exposure, interest rate exposures or other exposures, using hedging techniques where available and appropriate. A Fund is permitted to incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the Fund to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for the relevant General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the "CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of the relevant Fund to hedge its exposure becomes limited by such requirements.

Financial Institution Risk; Distress Events. An investment in the Funds is subject to the risk that banks, brokers, hedging counterparties, lenders or other custodians (each, a "Financial Institution") of some or all of the Funds' assets fail to timely perform their obligations or experience insolvency, closure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, the Firm and/or the Funds may not be able to access deposits, borrowing facilities or other services, either permanently or for an extended period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks, or the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties during Distress Events, there can be no assurance that such intervention will occur in a future Distress Event or that any such intervention undertaken will be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of the Firm to manage the Funds and their investments and on the ability of the Firm and the Funds to maintain operations, which in each case could result in significant losses. Such losses have the potential to include a loss of funds and the inability of Funds to acquire or dispose of investments or acquire or dispose of such investments at prices that the Firm believes reflect the fair value of such investments. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that the Funds will incur additional expenses or delays in putting in place alternative arrangements or that such

alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). Although the Firm expects to exercise contractual remedies under agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. The Funds are subject to similar risks if a Financial Institution utilized by investors in the Funds or by suppliers, vendors, service providers or other counterparties of the Funds becomes subject to a Distress Event, which could have a material adverse effect on the Funds.

A Financial Institution may require, as a condition to using its services (including lending services), that the Firm and/or the Funds maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institution. Although the Firm seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their obligations to the Funds, the Firm is under no obligation to use a minimum number of Financial Institutions with respect to any Fund or to maintain account balances at or below the relevant insured amounts.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, global pandemics or other sources of political, social or economic disturbance or unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire investments, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its investments to execute their respective operations and to receive an attractive multiple of earnings upon disposition. This may slow the rate of future investments by a Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Fund's investments.

The Ukraine-Russian conflict has led to, and may continue to lead to, significant political, geopolitical, economic and market turmoil and volatility, including dramatic increases in oil and gas prices and further supply chain disruptions. It is not possible to predict the broader consequences of this conflict or the sanctions imposed or applied as a result thereof, which could include further sanctions, embargoes, regional instability, geopolitical shifts, conflicts and adverse effects on macroeconomic conditions, currency exchange rates and financial markets, all of which could impact a Fund's business, financial condition and results of operations.

Force Majeure & Catastrophic Risks. The Firm, the Fund and portfolio companies may be subject to operational risk from unforeseeable and uncontrollable catastrophic events, including fires, floods, earthquakes, adverse weather conditions and related power outages, water shortages or other damage caused by such events, changes in law, eminent domain, wars, riots, terrorist attacks, and other similar risks, which may be uninsurable or insurable at rates that the Firm deems uneconomic. These events could result in loss and litigation, among other potentially detrimental effects. Certain force majeure events (such as an outbreak of an infectious disease (including the COVID-19 global pandemic)) could have a broader negative impact on the world economy and international business activity generally. In February 2022, armed conflict escalated between Russia and Ukraine and Russia invaded Ukraine. In response to Russia's invasion of Ukraine, the United States, the European

Union and various other countries have announced, and continue to announce and expand, sanctions against or targeting Russia and various important Russian people and companies. These sanctions currently include, among others, restrictions or bans on selling or importing goods, services or technology in or from Russia, bans on Russian energy imports, and travel bans and asset freezes impacting connected individuals and political, military, business and financial organizations in Russia. The U.S. and other countries could impose wider or more significant sanctions and take other actions against Russia or its interests should the conflict further escalate or deteriorate. The Ukraine-Russian conflict has led to, and may continue to lead to, significant political, geopolitical, economic and market turmoil and volatility, including dramatic increases in oil and gas prices and further supply chain disruptions. It is not possible to predict the broader consequences of this conflict or the sanctions imposed or applied as a result thereof, which could include further sanctions, embargoes, regional instability, geopolitical shifts, conflicts and adverse effects on macroeconomic conditions, currency exchange rates and financial markets, all of which could impact the Funds' or any portfolio investment's business, financial condition and results of operations.

Market Conditions. The capital markets have experienced great volatility and financial turmoil, including, without limitation, following the COVID-19 outbreak and the recent outbreak of war between Russia and the Ukraine, and the rising interest rate environment in the United States. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of investments and economic conditions generally may reduce the availability of attractive investment opportunities for any Fund and may affect a Fund's ability to make investments. Instability in the markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in a Fund's investments and could have a negative impact on the performance and/or valuation of the investments. A Fund's performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value certain private holdings and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of a Fund's investments and the Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a Fund to sell and/or partially dispose of its investments. Such adverse effects may include the requirement of a Fund to pay break-up, termination or other fees and expenses in the event the Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of a Fund to dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect the Fund's ability to raise funding to support its investment objective.

Epidemics, Pandemics, and Public Health Emergencies; COVID-19. The Firm's business activities as well as the Fund and its operations and investments could be adversely affected by the outbreaks of epidemics globally and in the United States, such as CoronaVirus, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, or other epidemics. Specifically, CoronaVirus, or COVID-19, has spread rapidly around the world since December 2019 in recent years and has negatively affected the global economy and the stock market. The transmission of COVID and efforts to contain its spread have resulted in travel restrictions and disruptions, market volatility, disruptions to business operations, supply chains and customer activity and quarantines. With widespread availability of vaccines, the U.S. Centers for Disease Control and Prevention has revised

its guidance, travel restrictions have started to lift, and businesses have reopened. However, the COVID pandemic continues to evolve and the extent to which our investment strategies will be impacted will depend on various factors beyond our control, including the extent and duration of the impact on economies around the world and on the global securities and commodities markets. Volatility in the U.S. and global financial markets caused by the COVID pandemic may continue and could impact our firm's investment strategies. Although currently there has been no significant impact, the COVID outbreak, and future pandemics, could negatively affect vendors on which our firm and clients rely and could disrupt the ability of such vendors to perform essential tasks. An outbreak or recurrence of any kind of epidemic, communicable disease or virus or major public health issue could cause a slowdown in the levels of economic activity generally, which would adversely affect the business, financial condition and operations of the Firm, the Fund and portfolio companies.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds' and their properties' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives. They may also impair the ability of properties or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their properties, each relevant General Partner and Dalfen may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Development and Construction or Renovation Risks. A Fund's investments may include acquisition of direct or indirect interests in undeveloped land or underdeveloped real property (which may often be non-income producing), real estate developments or redevelopments and/or businesses that engage in real estate development or redevelopment. To the extent that a Fund invests in such assets or activities, it will be subject to the risks normally associated with such assets and development activities, including the possibility of development cost overruns and delays due to various factors (including inclement weather, labor or material shortages, the unavailability of construction and permanent financing and timely receipt of zoning and other regulatory approvals), the availability of both construction and permanent financing on favorable terms and market or site deterioration after acquisition. Any unanticipated delays or expenses could have an adverse effect on the results of operations and financial condition of a Fund. Properties under development or properties acquired for development may receive little or no cash flow from the date of acquisition through the date of completion of development and may continue to experience operating deficits after the date of

completion. In addition, market conditions may change during the course of development that make such development less attractive than at the time it was commenced.

Construction Loans. An investment may obtain construction loans to finance the construction of its developments. A construction loan lender will typically require a portfolio investment to provide a full recourse payment guaranty or a guaranty that the development will be completed. If a portfolio investment fails to complete a development, if the development is delayed or if the completed development fails to generate the expected cash flow, a portfolio investment may be liable under the applicable construction loan guaranty. In addition, if a portfolio investment abandons a development, the development may be liquidated on the “as-is” value rather than on a valuation based on the ability to complete the development. If a portfolio investment lacks the resources to provide any required guaranty, then it may not be able to obtain financing on favorable terms, or at all, which may result in the development being abandoned. The occurrence of any of the foregoing events may have a negative impact on a portfolio investment’s results of operations and, in turn, the Fund’s ability to make distributions to its investors may be adversely affected.

Competition with Other Owners of Commercial Properties. Each Fund will face significant competition from other developers, owners and operators of similar properties in the same markets and may be in competition with other properties owned or managed by Dalfen for its own account or for other client accounts. This competition may affect a Fund’s ability to attract and retain tenants and may reduce the rents the Fund is able to charge. Additionally, when a Fund seeks to sell its properties, it will compete with other owners of commercial properties, which, in certain instances, may include Dalfen for its own account or for other client accounts, in connection with the sale of properties.

Distressed Investments. Each Fund may purchase, directly or indirectly, investments that are experiencing significant financial or business distress, including securities, companies or real estate assets involved in bankruptcy or other reorganization and liquidation proceedings. Many of these investments ordinarily remain unpaid unless and until the investment is reorganized and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. A wide variety of considerations, including, for example, the possibility of litigation between the participants in a reorganization or liquidation proceeding or a requirement to obtain mandatory or discretionary consents from various governmental authorities or others may affect the value of these investments. The uncertainties inherent in evaluating such investments may be increased by legal and practical considerations which limit the General Partner’s access to reliable and timely information concerning material developments affecting an investment, or which cause lengthy delays in the completion of the liquidation or reorganization proceedings. There can be no assurance that the General Partner will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action.

Limited Access to Information. Limited partners’ rights to information regarding a Fund, the relevant General Partner or Dalfen generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to a Fund’s investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Dalfen’s control. Decisions by Dalfen or its affiliates to withhold information may have adverse consequences for investors in a variety of circumstances. For example, an investor that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for

an investor to monitor Dalfen and its performance. Additionally, it is anticipated that investors that designate representatives to participate on a Fund's advisory board generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other investors. Investors generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and Dalfen reserves the right to withhold certain information from investors subject to such laws for reasons relating to Dalfen's public reputation, business strategy or other reasons.

Material, Non-Public Information; Other Regulatory Restrictions. As a result of the operations of Dalfen and its affiliates, as well as in connection with officerships or directorships of Dalfen personnel, Dalfen frequently comes into possession of confidential or material, non- public information. Dalfen and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Dalfen's internal policies and practices.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Dalfen or the Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or properties owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the U.S. Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a property may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain properties owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of Dalfen's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain properties on a timeline or in a manner deemed undesirable by Dalfen or may limit the ability of one or more properties from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

CFIUS and National Security Clearance Considerations. Certain investments are expected be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States ("**CFIUS**"), such as where CFIUS-related laws, regulations or guidance deem non-U.S. persons or entities under their control (such as a Fund, co-investors and/or rollover sellers) to be acquiring a U.S. business (including a business with assets, employees, facilities, and/or operations in

the United States). CFIUS has the authority to review proposed or existing transactions or investments or to seek to impose limitations on or prohibit investments, and CFIUS filings and other considerations can materially impact transaction timing, feasibility, certainty and costs. In certain circumstances, CFIUS considerations have the potential to prevent a Fund from maintaining or pursuing investments, or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Fund's performance, and the likelihood that CFIUS considerations will be implicated is expected to increase where non-U.S. investors comprise a substantial percentage of a Fund. Under the Governing Documents, the relevant General Partner generally is authorized, although not required, to excuse or otherwise limit non-U.S. investors' ability to invest in U.S. businesses (or to exercise voting or advisory board rights with respect thereto) in order to anticipate or comply with CFIUS considerations. However, there can be no assurance that invoking any such excuse provisions or other limitations will allow the Fund to proceed with or maintain any investment, or to avoid losses relating thereto. Similar considerations are expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators.

Cybersecurity Risks. Despite system redundancy, the implementation of security measures and the existence of a disaster recovery plan for a Fund's internal and hosted information technology systems, such systems are vulnerable to damages from any number of sources, including energy blackouts, natural disasters, terrorism, war, telecommunication failures and cyber security attacks, such as computer viruses, malware or unauthorized access. Any system failure or accident that causes interruptions in a Fund's operations could result in a material disruption to its business. A Fund may also incur additional costs to remedy damages caused by such disruptions. Any compromise of a Fund's security could result in a violation of applicable privacy and other laws, unauthorized access to information of the Fund and others, significant legal and financial exposure, damage to the Fund's reputation among its customers and investors generally, loss or misuse of the information and a loss of confidence in the Fund's security measures, any of which could harm the Fund's business.

Data Protection Compliance. Applicable laws and regulations related to privacy, data protection and information security could increase costs for a Fund, and a failure to comply with such laws and regulations could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations of the Fund. Companies are generally subject to laws and regulations related to privacy, data protection and information security in the jurisdictions in which they do business. As privacy, data protection and information security laws and regulations are implemented, interpreted and applied, compliance costs may increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

EU data protection law previously in effect was derived from the Data Protection Directive (Directive 95/46/EC) and had been implemented by national legislation across all 28 EU member states. On May 25, 2018, the General Data Protection Regulation (EU 2016/679) (the "GDPR") replaced the pre-existing legislation. The GDPR seeks to harmonize national data protection laws across the EU, while at the same time modernizing the law to address new technological developments. As a regulation, the GDPR applies to data controllers and data processors in all EU member states, immediately upon coming into effect, without the need for implementation in each member state. The GDPR notably has a greater extra-territorial reach than the pre-existing legislation and will have a significant impact on data controllers and data processors (A) with an establishment in the EU, (B) that offer goods or services to EU data subjects or (C) that monitor EU data subjects' behavior within the EU. The new regime imposes more stringent operational requirements on both data controllers and data processors and introduces significant penalties for non-compliance, with

finances of up to 4% of total annual worldwide revenue or €20 million (whichever is higher), depending on the type and severity of the breach.

Compliance with current and future privacy, data protection and information security laws and regulations could significantly impact current and planned privacy and information security-related practices, the collection, use, sharing, retention and safeguarding of personal data and some of a Fund's current or planned business activities. A failure to comply with such laws and regulations could result in fines, sanctions or other penalties, which could materially and adversely affect results of operations and the overall business of a Fund, as well as have an impact on reputation.

Side Letters. The General Partner expects to enter into side letters or similar agreements with particular investors in connection with their admission to a Fund without the approval of any other investor, which side letter or similar agreement would have the effect of establishing rights under or altering or supplementing the terms of the Governing Documents with respect to such investor in a manner more favorable to such investor than those applicable to other investors. Such rights, terms or conditions in any such agreement may include, without limitation, (i) excuse or opt-out rights applicable to certain or all investments (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such investments), (ii) the relevant General Partner's agreement to extend certain information rights or additional reporting to such investors, including, without limitation, to accommodate special regulatory or other circumstances of such person, (iii) waiver or modification of certain confidentiality obligations and/or documentation that might be requested by the relevant General Partner for the benefit of lenders or other persons extending credit to or arranging financing for a Fund, (iv) consent of the relevant General Partner to certain transfers by such investors or other exercises by the General Partner of its discretionary authority under the Governing Documents for the benefit of such investors, as applicable, (v) restrictions on, or special rights of such investors with respect to, the activities of the relevant General Partner (vi) withdrawal rights (subject to consent of the relevant General Partner) due to legal, regulatory or policy matters, including matters related to political contributions, gifts and other such policies, (vii) other rights or terms necessary in light of particular legal, regulatory or public policy characteristics of an investor, (viii) economic arrangements, including, without limitation, with respect to management fees, transaction fees, carried interest and waterfall terms, (ix) matters regarding such investors' right to participate in co-investment opportunities, (x) a "most favored nations" provision or (xi) additional obligations and restrictions of a Fund with respect to the structuring of any investment (including with respect to alternative investment vehicles). Any rights, terms or conditions so established in a side letter with an investor will govern solely with respect to such investor, and no such rights, terms or conditions will require the approval of any other investor notwithstanding any other provision of the Governing Documents. Notwithstanding the fact that that any Governing Documents contain a "most-favored-nations provision," investors may not have the right to elect certain rights or benefits granted to other investors in their side letters.

Other Real Estate Funds. Dalfen reserves the right to raise and/or manage additional real estate investment funds, accounts, joint ventures or other vehicles ("**Other Real Estate Funds**"), including a real estate core fund; other lower risk, lower return funds; a real estate debt fund; investment funds, accounts, joint ventures or other vehicles that may have the same or similar investment objectives as a Fund for specific geographical areas; and other sector-specific investment funds, accounts, joint ventures or other vehicles. The closing of an Other Real Estate Fund could result in the reallocation of Dalfen personnel, including reallocation of existing real estate professionals, to such Other Real Estate Fund.

Co-Investments. As described above, each General Partner expects, in its sole discretion, to provide or commit to provide co-investment opportunities to one or more investors and/or other persons, in each case on terms to be determined by the General Partner in its sole discretion. Potential conflicts of interest are expected to arise in the allocation such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the relevant General Partner in its sole discretion, may not be in the best interests of the Fund or any individual investor. In exercising its sole discretion in connection with such co-investment opportunities, the General Partner is permitted to consider some or all of a wide range of factors, which may include the likelihood that an investor may invest in a future fund sponsored by Dalfen or its affiliates. Each Fund is permitted to co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the Fund, or may be in a position to take action contrary to the investment objectives of the Fund. In addition, a Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner.

Conflicts of Interest

Dalfen and its related entities and personnel engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, legal, management and other services to Funds, and properties. Dalfen will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of Dalfen conducting its activities, the interests of a Fund likely will conflict with the interests of Dalfen, one or more other Funds, properties or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, Dalfen will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

During the investment period of a Fund, all appropriate investment opportunities will be pursued by Dalfen Principal through such Fund, subject to certain limited exceptions set forth in the Governing Documents and Dalfen's allocation policies. Without limitation, Dalfen Principals expect to manage several other investments similar to those in which a Fund will be investing, and expect to direct certain relevant investment opportunities or resources to those investments. Dalfen personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, and to pay or receive compensation relating to these arrangements. Dalfen's Principal and Dalfen's investment staff will continue to manage and monitor such investments until their realization. Such other investments that Dalfen Principal expect from time to time to control or manage generally have the potential to compete with companies acquired by a Fund. Following the investment period of a Fund, Dalfen Principal reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an advisory opportunity is received that is unsuitable for a Fund, in Dalfen's sole discretion, Dalfen and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, Dalfen

personnel are permitted to serve on boards or act in other roles unaffiliated with Dalfen, the Funds or their properties, including boards of charitable and educational institutions, public companies and former properties, and receive compensation in connection with such services and roles.

From time to time, Dalfen will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of Dalfen. In determining which investment vehicles should participate in such investment opportunities, Dalfen and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the Governing Documents, Dalfen is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of Dalfen in a property also have the potential to raise the risk of using assets of a client of Dalfen to support positions taken by other clients of Dalfen.

Dalfen must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. Dalfen generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Governing Documents, as well as factors including, but not limited to, For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund generally reserves the right to invest together with other Funds advised by an affiliate of Dalfen in the manner set forth in the Governing Documents. Dalfen will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable to its clients under the circumstances over time consistent with Dalfen's obligations and reserves the right to take into consideration factors such as those set forth above.

Following such determination of allocation among Funds, Dalfen will determine if the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for such Fund(s) and Dalfen reserves the right to offer any such excess to one or more potential co-investors, including third parties, as determined by the Governing Documents and Side Letters. Dalfen's practices permit it to take into consideration a variety of factors in making such determinations, including, but not limited to: expressed interest in co- investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (*e.g.*, qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; Dalfen's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair Dalfen's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co- investors; lender requirements; perceived public relations and reputational benefits or costs; existence of a formal or informal strategic relationship with the prospective co-investor; and whether Dalfen believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant property, other properties, or Dalfen. The General Partners reserve the right to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund properties or otherwise to have priority in co-investment opportunities.

Furthermore, Dalfen or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. When and to the extent that employees and related persons of Dalfen and its affiliates make capital investments in or alongside certain Funds, Dalfen and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Dalfen's allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While Dalfen will allocate investment opportunities in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which Dalfen expects to be subject, discussed herein, did not exist.

In certain cases, Dalfen will have the opportunity (but, subject to any applicable restrictions or procedures in the Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, Dalfen will not receive compensation for identifying such transferees, and will use its discretion to select such transferees (including from time to time, affiliates of Dalfen) based on eligibility and other factors similar to those employed in selecting co-investors, and unless required by the Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Where multiple Funds invest at the same, different or overlapping levels of a property's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions, including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring, may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same property. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by Dalfen in its sole discretion. Because of the different legal rights associated with debt and equity of the same property, Dalfen expects to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, one Fund versus another Fund (*e.g.*, the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). If a Fund enters into any indebtedness with another Fund on a joint and several basis, the applicable General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, Dalfen expects to be subject to potential

conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. In certain circumstances Funds are expected to be prohibited from exercising (or Dalfen may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other may be subject to creditor claims regarding subordination of interests. Dalfen intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness, without undue favoritism over time.

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Dalfen and its affiliates reserve the right from time to time express to inconsistent views of commonly held investments or of market conditions more generally, including in instances where different portfolio managers or personnel express different views regarding the same investment. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions taken for one or more Funds may adversely affect other Funds.

As a result of the Funds' controlling interests in properties, Dalfen and/or its affiliates typically have the right to appoint property board members (including current or former Dalfen personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, property board members approve compensation and/or other amounts payable to Dalfen and/or its affiliates. Except to the extent such amounts are subject to the Governing Documents' offset provisions, they will be in addition to any management fees or carried interest paid by a Fund to Dalfen.

Additionally, a property typically will reimburse Dalfen or service providers retained at Dalfen's discretion for expenses (including, without limitation, travel expenses) incurred by Dalfen or such service providers in connection with its performance of services for such property. This subjects Dalfen and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Dalfen determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to Dalfen or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to properties; and/or third party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest.

In connection with its services to the Funds and their investments, Dalfen, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Dalfen's operations, including research, due diligence, investment monitoring, operational

improvements and investment activities, Dalfen and its personnel expect to receive and benefit from information, “know-how,” experience, analysis and data relating to Fund or property (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, “**Dalfen Information**”). In many cases, Dalfen Information will include tools, procedures and resources developed by Dalfen to organize or systematize Dalfen Information for ongoing or future use. Although Dalfen expects its Funds and their properties generally to benefit from Dalfen’s possession of Dalfen Information, it is possible that any benefits will be experienced solely by other or future Funds or properties and not by the Fund or property from which Dalfen Information was originally received. Dalfen Information will be the sole intellectual property of Dalfen and solely for the use of Dalfen. Dalfen reserves the right to use, share, license, sell or monetize Dalfen Information, without offset to management fees, and the relevant Fund or property will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or properties are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, “points,” “cash back,” rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not *de minimis* or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the properties, the Funds or their respective investors; no such rewards will offset management fees.

Dalfen generally exercises its discretion to recommend to a Fund or to a property thereof that it contract for services with certain service providers, and from time to time such service providers are expected to include: (i) Dalfen or a related person of Dalfen (which may include a property of such Fund); (ii) an entity with which Dalfen or its affiliates or current or former members of their personnel has a relationship or from which Dalfen or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Dalfen personnel are seconded, or from which Dalfen receives secondees; or (iii) certain limited partners or their affiliates. For example, Dalfen expects to be presented with opportunities to receive financing and/or other services in connection with a Fund’s investments from certain limited partners or their affiliates that are engaged in lending or related business. This discretion subjects Dalfen to conflicts of interest, because, although Dalfen selects service providers that it believes are aligned with its operational strategies and will enhance property performance and, relatedly, returns of the relevant Fund, Dalfen has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Dalfen, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Dalfen), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Dalfen will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its properties to incur) such expenses. Although Dalfen generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Whether or not Dalfen has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

In addition, as described above, properties typically pay certain fees to, and reimburse expenses of, consultants (including consultants introduced or arranged by Dalfen and/or its affiliates

that regularly provide services to one or more properties), and such amounts do not offset or reduce the management fee as described herein. From time to time, a Fund may establish or invest in platform companies or similar platform investments that seek to acquire interests in other companies and/or assets. While the relevant Fund would typically be involved in the strategy and oversight of any platform investment, a platform investment typically would retain its own management team and/or other personnel to operate, administer and manage the platform on a daily basis. In such cases, the relevant Fund generally will directly or indirectly bear the expenses related to developing and operating the platform investment, including overhead expenses (such as real estate, technology, salaries, bonuses, personnel costs and incentive-based compensation (e.g., equity, a profits interest, options and warrants)), investment sourcing and diligence expenses, transaction fees and other related expenses. Such expenses generally will not offset any management fee paid by the Funds.

Such platform investments create potential conflicts of interest. For example, management teams sometimes provide services that are similar to, and that may overlap with, services provided by Dalfen and its personnel to the Funds, and certain Dalfen professionals are expected to serve on the boards of, or otherwise provide services to, platform investments. Because Dalfen (and not the Funds) otherwise generally pays the salaries of its employees, Dalfen has an incentive to cause a platform investment to retain its own management team instead of relying on Dalfen employees to provide managerial services, or to deploy existing Dalfen employees as members of such platform investment's management team. In addition, Dalfen generally will have the ability to influence significantly the form and amount of compensation paid to such management teams. Members of platform investment management teams also may render services exclusively to the platform or provide the same or similar services to other Funds and/or properties.

Dalfen reserves the right from time to time to cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Funds managed by Dalfen, or co-investors or co-investment vehicles. Such transactions may arise in the context of automatic or other re-balancing of an investment among parallel investing entities or in contexts where a property owned by one Fund is acquired by a property acquired by another Fund. Certain of such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of properties owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the Governing Documents or otherwise in the sole discretion of Dalfen, Dalfen reserves the right to seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness of a purchase or sale price) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's advisory board) to such transactions. In certain circumstances, Dalfen reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction to the Fund under then-current market conditions. Dalfen intends that any such transactions be conducted in a manner that it believes to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

Although Dalfen generally structures Funds to avoid cross-guarantees and other circumstances in which one Fund ultimately bears liability for all or part of the obligations of another Fund, in certain circumstances lenders and other market parties negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds' share of the relevant obligation

and/or joint and several liability among Funds. In such case, Dalfen intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements.

Dalfen and/or its affiliates reserve the right to employ personnel with pre-existing ownership interests in properties owned by the Funds or other investment vehicles advised by Dalfen and/or its affiliates; conversely, current or former personnel or executives of Dalfen and/or its affiliates are expected from time to time to serve in significant management roles at properties or service providers recommended by Dalfen. Similarly, Dalfen, its affiliates and/or personnel maintain relationships with (or invest in) financial institutions, service providers and other market participants, including, but not limited to, managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and property finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former property executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Dalfen and/or its affiliates and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Dalfen entities) to Dalfen personnel and their estate planning vehicles. Dalfen expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a property if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Dalfen information about markets and industries in which Dalfen operates (or is contemplating operations) or will provide other services that are beneficial to Dalfen or one or more other Funds. Dalfen expects to be subject to a potential conflict of interest in making such recommendations, in that Dalfen has an incentive to maintain goodwill between it and the existing and prospective properties for a Fund, while the products or services recommended may not necessarily be the best available to a Fund or its properties.

Dalfen, its affiliates, and equity holders, officers, Principal and employees of Dalfen and its affiliates reserve the right to buy or sell securities or other instruments that Dalfen has recommended to a Fund. Any such transactions are subject to any restrictions in the Governing Documents and any related policies and procedures set forth in Dalfen's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of Dalfen have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective properties directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expects to have additional potential conflicting interests in connection with these investments.

Because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because management fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when Dalfen may not otherwise have done so.

Since Dalfen is permitted to retain certain supplemental fees (as described under "Fees and Compensation") in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases,

such fees are based on value or other metrics relating to a property, and there can be no assurance that the amount of supplemental fees charged will be proportional to the amount of hours of work performed on behalf of the property. Additionally, Dalfen, its personnel, affiliates or others designated by Dalfen expect from time to time to receive compensation in the form of property interests, or options, equity or promote interests in holding vehicles relating thereto. To the extent any such securities are received, after any applicable offset provisions in the Governing Documents are applied, Dalfen and/or such other recipients will be permitted to retain such securities as supplemental fees, and in doing so will be subject to potential conflicts of interest in determining whether to sell such interests or retain such interests for a period consistent with their own financial and investment objectives, which may differ from those of the relevant Fund. In addition, because property interests typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of interests typically has the result of diluting a Fund's relative ownership of the property awarding such compensation.

In certain circumstances, such as those relating to short- or long-term property cash or liquidity needs, and regardless of whether the property is undergoing financial stress, Dalfen reserves the right to accrue, defer or forego payments of supplemental fees. In such cases, in accordance with the Governing Documents, investors will not receive the benefit of management fee offsets with respect to such amounts until they are actually received.

Dalfen and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures (including discounted or rebated compensation terms), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, and liquidity or transfer rights. Side Letters may also relate to strategic relationships under which an investor agrees to make commitments to multiple Funds. Except where required by Governing Documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments. Although Dalfen believes it to be unlikely, excuse rights requested or received by one or more investors (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns, or to influence the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. An investor's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more investors' voting rights generally will increase the voting rights percentage of other investors in the relevant Fund. Further, investors with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

In certain circumstances, the General Partner will permit third party brokers to invest capital (including compensation to such brokers) alongside the Fund in investments. While such broker investments are expected to be de minimis (i.e., approximately 2% of less of the total equity required for the investment), such broker investments will potentially reduce the Fund's capital investment into any such investment. The General Partner believes that such broker investments will help the General Partner pursue attractive investments, but the General Partner will be subject to certain conflicts of interest in connection with these investments, including those listed in the preceding paragraph. There can be no assurance that such broker investments will be beneficial to the Fund or the Fund's investments.

Any of these situations subjects Dalfen and/or its affiliates to potential conflicts of interest. Dalfen attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Dalfen's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, Dalfen will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Dalfen intends to consult and receives consent to certain conflicts from an advisory committee consisting of investors in the relevant Fund(s) and such other investment vehicles.

ITEM 9—DISCIPLINARY INFORMATION

Dalfen and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

From time to time Dalfen's Funds or Management Company are involved in assisting with litigation related to investments. There are no events that Management Company believes an investor would consider material to the investor's interest in the Funds.

ITEM 10—OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Management Company is affiliated with the General Partners, which are subject to the Advisers Act pursuant to the Management Company's registration in accordance with SEC guidance. These entities operate as a single advisory business together with the Management Company and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

As disclosed in Fund governing documents, affiliates of Dalfen, DI Management LLC and Canadian Dalfen Limited Partnership, engage in (i) property management and construction management almost exclusively for Dalfen fund assets and (ii) debt placement for Dalfen fund assets, and may provide other property-level or support services. Pursuant to Fund governing documents, affiliates may provide such services to the Fund or portfolio investments in lieu of third parties providing such services, provided that such services shall be on terms that are determined by the General Partner to be fair and reasonable to the Fund or the relevant portfolio investment. These affiliates may receive fees for such services; provided that any such fees shall not exceed the rate that would be payable by the Fund or portfolio investment if such services were provided by unaffiliated third parties in the business of providing comparable services in the applicable or a substantially similar market.

Dalfen supervised persons are subject to a conflicts of interest policy requiring disclosures of the activities listed herein, as applicable. Dalfen will use reasonable efforts to cause any identified material conflicts of interest to be disclosed to the Funds, the Advisory Committee, once such committee is established, or investors, as appropriate (or otherwise mitigated). Such efforts generally will include disclosure of such conflicts of interest in Fund offering and Governing Documents and the Company's Form ADV. Consistent with Fund Governing Documents, the Company will generally review related party transactions and other activities that raise potential conflicts of interest with the Advisory Committee and seek their approval or consent, when required. Disclosure may also be appropriate in investment advisory contracts or through a special disclosure document provided separately to a Fund or an investor.

As more fully discussed above in Item 8 under Conflicts of Interest, Dalfen Principals expect to manage several other investments similar to those in which a Fund will be investing, and expect to direct certain relevant investment opportunities or resources to those investments. Dalfen personnel manage their own personal investments, whether or not through a formal family office or estate planning structure, and may pay or receive compensation relating to these arrangements. Dalfen's Principals and Dalfen's investment staff will continue to manage and monitor such investments until their realization. Such other investments that Dalfen Principals expect from time to time to control or manage generally have the potential to compete with companies acquired by a Fund.

Dalfen personnel are permitted to serve on boards or act in other roles unaffiliated with Dalfen, the Funds or their properties, including boards of charitable and educational institutions, public companies and former properties, and receive compensation in connection with such services and roles.

To the extent an advisory opportunity is received that is unsuitable for a Fund, in Dalfen's sole discretion, Dalfen and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. From time to time, Dalfen will be presented

with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of Dalfen. In determining which investment vehicles should participate in such investment opportunities, Dalfen and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the Governing Documents, Dalfen is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of Dalfen in a property also have the potential to raise the risk of using assets of a client of Dalfen to support positions taken by other clients of Dalfen.

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

Dalfen has adopted a Code of Ethics and Securities Trading Policy and Procedures (the “Code”), which sets forth standards of conduct that are expected of Dalfen Principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Dalfen personnel to report their personal securities transactions, prohibits or requires pre-clearance for directly or indirectly acquiring beneficial ownership of securities in an initial public offering or a limited offering, without first obtaining approval from the Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material, non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Joseph Walker, the Chief Compliance Officer, at (972) 560-2820. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client’s interests in client eligible investments.

Dalfen and its affiliated persons may come into possession, from time to time, of material, non-public or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, Dalfen and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Dalfen.

Accordingly, should Dalfen or any of its affiliated persons come into possession of material, non-public or other confidential information with respect to any public and non-public company, Dalfen generally would be prohibited from communicating such information to clients or investors, and Dalfen will have no responsibility or liability for failing to disclose such information to clients or investors as a result of following their policies and/or procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Dalfen personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

Principals and employees of Dalfen and its affiliates generally are expected to directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles are expected to invest in one or more of the same properties as a Fund. Co-invest opportunities generally are also expected to be presented to certain affiliates of Dalfen, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles, directly in a particular property or through an intermediate entity in a property’s structure. Such co-investment opportunities generally will be allocated in the manner described under “Methods of Analysis, Investment Strategies and Risk of Loss.”

Dalfen and its affiliates, principals and employees expect from time to time to carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in a Fund, as well as give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. The Governing Documents and investment programs of certain Funds generally restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds or be subject to limitations (*e.g.*, by time or percentage of capital deployed).

From time to time, a General Partner reserves the right to advance funds on behalf of a Fund and contribute such amounts to the relevant Fund as a special interim capital contribution for investment, to be redeemed at a later date. A yield amount in connection with such borrowing typically is borne by the relevant Fund, consistent with the Governing Documents.

Dalfen will effect such borrowings consistent with a Fund's Governing Documents and in a manner it believes to be fair and equitable under the circumstances to the relevant Fund.

ITEM 12—BROKERAGE PRACTICES

Dalfen focuses on securities transactions of properties and generally purchases and sells such properties through privately-negotiated transactions in which the services of a securities broker-dealer are unlikely to be retained. However, Dalfen reserves the right to distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer. Although Dalfen does not intend to regularly engage in public securities transactions, to the extent it does so, it intends to follow the brokerage practices described below.

If Dalfen sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Dalfen. In such event, Dalfen will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Dalfen reserves the right to consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

Dalfen has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Dalfen generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with Dalfen seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although Dalfen generally does not make use of such services at the current time and has not made use of such services since its inception.

In Dalfen’s private transactions on behalf of the Funds, Dalfen reserves the right to retain one or more securities broker-dealers, real estate brokers or finders or investment banks, the costs of which will be borne by the relevant Fund and/or its properties. In determining to retain such parties, Dalfen reserves the right to consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although Dalfen generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

ITEM 13—REVIEW OF ACCOUNTS

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Dalfen monitors the Funds' investments, and the Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Each Fund generally will provide to its limited partners: (i) annual GAAP audited and quarterly unaudited financial statements; and (ii) annual tax information necessary for each limited partner's tax return.

The Management Company enters into Side Letters with certain investors that have the effect of establishing rights to additional reporting in connection with the regulatory and other legal obligations and duties to which they are subject.

ITEM 14—CLIENT REFERRALS AND OTHER COMPENSATION

Dalfen and/or its affiliates intend to provide certain business, consulting, operational, property management or other related services to investments in a Fund's portfolio and expect to receive compensation from these investments in connection with such services. As described in the Governing Documents, this compensation in many cases will offset a portion of the management fees paid by such Fund. However, in other cases (*e.g.*, reimbursements for out-of-pocket expenses directly related to a property), these fees are in addition to management fees. *See* "Fees and Compensation."

Dalfen has engaged placement agents or marketers as identified in Section 7.B of Form ADV Part 1A and reserves the right from time to time to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming an investor in a Fund. Any fees payable to any such placement agents generally will be borne by Dalfen indirectly through an offset against the management fee under the Governing Documents, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including, but not limited to, placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

ITEM 15–CUSTODY

Dalfen or its affiliated General Partners generally are deemed to have custody of Fund assets and maintain required custody of assets held in the name of one or more Funds with the following qualified custodians: CIBC Bank (Chicago, IL), Bank of America (Dallas, TX) and Bank of Montreal (Montreal, Quebec Canada).

In general, and to the extent required by law, an independent public accounting firm conducts annual audits of each of the Funds, and audited financial statements are provided to investors in such vehicles on an annual basis. Annual audited financial statements generally are provided by the General Partner to investors in the Funds within 120 days after the end of each fiscal year (or as otherwise set forth in the applicable Fund Governing Documents or required by applicable law).

ITEM 16—INVESTMENT DISCRETION

Dalfen has discretionary authority to manage investments and provide advice with respect to the investments made on behalf of each Fund. Dalfen assumes this authority pursuant to the terms of the Governing Documents and powers of attorney executed by the limited partners of such Fund. As a general policy, Dalfen does not allow clients to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, Dalfen and/or its affiliates have entered, and expect to enter, into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons.

ITEM 17– VOTING CLIENT SECURITIES

Dalfen invests in private real estate investments and generally does not expect to receive proxies that it must vote on behalf of the Funds. In the event Dalfen is in a position to vote proxies on behalf of any client, it will include a Proxy Policy in its compliance manual.

ITEM 18—FINANCIAL INFORMATION

Dalfen 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.