

# CBRE Investment Management, LLC

## CBRE Global Value Investors, LLC

Part 2A of Form ADV  
The Brochure

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This brochure provides information about the qualifications and business practices of CBRE Investment Management, LLC ("CBRE Investment Management") and CBRE Global Value Investors, LLC ("CBRE Global Value Investors", and together with CBRE Investment Management "we" or the "Advisers"). If you have any questions about the contents of this brochure, please contact the Chief Compliance Officer (Tel: 213-683-4200). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. CBRE Investment Management's registration number is: 801-48858. CBRE Global Value Investors' registration number is: 801-56790.

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

**CBRE** Investment  
Management

## 2. Material Changes

This current brochure is dated March 31, 2023, and replaces the prior brochure dated September 15, 2022. The update in this current brochure reflects the addition of CBRE Investment Management Berkman, LLC as a relying adviser in Item 10.

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## 4. Advisory Business

The Investment Management business of CBRE Group, Inc. ("CBRE") started in 1972. CBRE Investment Management was formed in 1994 (under the name of a prior owner). CBRE Global Value Investors was formed in 1999 and began investing in real estate in April 2000. The Advisers are indirect, wholly owned subsidiaries of CBRE (a publicly traded company in the United States). The Advisers, together with their affiliates within the Investment Management division of CBRE, provide investment and asset management services to clients in programs spanning the risk spectrum, including equity and debt, direct and indirect, real estate and infrastructure, and listed and unlisted strategies in real assets to clients (and investors in Investment Funds) in the United States, Canada, the United Kingdom, continental Europe, the Middle East and Asia.

We primarily (but not exclusively) engage in two lines of business: (i) we act as sponsor, manager, general partner and/or investment adviser of commingled investment vehicles and other programs, such as limited partnerships, limited liability companies, joint ventures and other commingled or investment vehicles ("Investment Funds") (we call these Investment Funds the "Strategic Partners U.S.", "Core", "Development" and "Credit" funds but we also manage or advise discrete Investment Funds on behalf of funds and clients managed by our Indirect division); and (ii) we act as manager, general partner, investment adviser and/or investment manager or adviser/sub-adviser for separately managed accounts for certain clients ("Separate Accounts"). Our Investment Funds and Separate Accounts (together, our "clients") cover a range of the risk/return spectrum and make investments in real estate and real estate related assets (including land and development assets).

The Advisers generally provide investment advisory or management services to each client in accordance with a limited partnership agreement (or analogous organization document), investment management or advisory

agreement, portfolio management agreement, asset management agreement, sub-advisory agreement or a similar type of agreement (each, an “Advisory Agreement”). Generally, our investor base for the Investment Funds includes large institutional investors, such as public and corporate pension plans and sovereign wealth funds. Many of these investors have their own independent consultants or advisers to assist them in their investment choices. Investors in our Investment Funds are generally required to be “accredited investors” within the meaning of Regulation D under the Securities Act of 1933, as amended. For our Investment Funds, investment advice is provided directly to the Investment Funds and/or underlying fund entities, subject to the discretion and control of the Investment Funds’ general partners (or analogous party), and not to investors in Investment Funds based upon their individual needs. Investment restrictions of the Investment Funds, if any, are generally established in the organizational or offering documents of the applicable Investment Fund, Advisory Agreements and/or side letter agreements negotiated with investors in the applicable Investment Fund. For our Separate Account clients, investment advice is provided directly to the client (but not to the client’s individual beneficiaries/stakeholders), subject to the discretion and control of the client. Investment restrictions for the Separate Account clients, if any, are generally established in the organizational documents of the applicable client or in the Advisory Agreements with the client.

Clients may impose certain restrictions, investment criteria and limitations with respect to Separate Accounts. In particular, clients may impose investment guidelines and/or restrictions that will be taken into account in acquiring, financing, managing and selling assets for the account. Investment guidelines or restrictions may limit the Advisers' ability to fully invest the account according to the investment objective desired by the client.

As of December 31, 2022, the Advisers and their affiliates within the Investment Management division of CBRE managed on a discretionary and non-discretionary basis approximately \$149.3 billion (gross asset value) / \$122.5 billion (net asset value) in client assets consisting of real estate, infrastructure, and private equity assets held for investment purposes. Of this amount, the AUM of the Advisers and their Relying Advisers (as defined in applicable SEC rules and noted under Item 10) was approximately \$24.9 billion (regulatory assets under management), all of which is managed on a discretionary basis.

CBRE invests its own capital in many of our Investment Funds and, in more limited situations with Separate Account clients, to further align our interests with those of our investors, or for tax or other structuring purposes – see Item 7, Types of Clients.

## 5. Fees and Compensation

For its real estate investment management or advisory services, the Advisers are usually paid an asset management, portfolio management or investment management or advisory fee based upon defined criteria, including: the cost, gross asset value, or fair market value of assets under management; the amount of committed equity, the amount of capital contributed, or equity invested; the net operating income generated by a portfolio; or based on a development or construction budget for development assets. In some cases, this includes a minimum or maximum management fee for a portfolio or a base asset management fee paid by the Investment Fund's real estate investment trust (“REIT”) subsidiary.

In addition, the Advisers sometimes receive an acquisition or onboarding fee based upon: (i) the cost or purchase price of an acquired asset, or (ii) for assets to be developed or under construction, a development or construction budget for such assets; a disposition fee based on the sales price of an asset; development fees, leasing fees, project management fees, financing fees and/or a due diligence, underwriting or similar fees for diligence and underwriting related services as part of an acquisition of an asset and certain other miscellaneous fees (collectively “Transaction Fees”). These Transaction Fees can be substantial and may be paid in cash or in securities or otherwise. The payment of Transaction Fees will, in some, but not all, circumstances create a conflict of interest between the Advisers and its affiliates, and the Investment Funds or Separate Accounts and their investors because the Investment Funds, Separate Accounts and their investors generally do not have a direct interest in these fees and reimbursements. The Advisers determine the amount and timing of these Transaction Fees for the services provided and reimbursements in their own discretion,

subject to agreements with the relevant sellers, buyers, and management teams. For a discussion of material conflicts of interest created by the receipt of such fees, please see Item 11 below.

Additionally, as further described in Item 6 below, with respect to certain Separate Accounts and Investment Funds, the Advisers may receive a performance or incentive fee based on certain criteria.

We do not have a set fee schedule. Fees for Separate Account clients are generally individually negotiated with the client upfront and are set forth in applicable Advisory Agreements. No compensation is payable until services are rendered. Fees for our Investment Funds are typically set on a fund-by-fund basis, are disclosed in the fund's Private Placement Memorandum or prospectus, and set out in the organizational documents or Advisory Agreements of those funds or in separate side letters or other agreements with the applicable investor.

Certain of the Advisers or their affiliates and employees (including CBRE) (and any related entity established by affiliates and employees or CBRE, such as trusts, charitable programs, endowments or related programs, family investment vehicles and other estate planning vehicles) (collectively, "Adviser Investors") may also be an investor in an Investment Fund, in which case they will receive their percentage interest of income, profits and gains/losses as an investor in addition to the management fees, incentive distributions, Transaction Fees or other fees received by the general partners (or analogous party), one of the Advisers or their affiliates. Furthermore, the Advisers has in the past and may, from time to time in the future establish certain investment vehicles through which third parties may invest alongside one or more Investment Funds in one or more investment opportunities, which generally do not pay management fees, performance/incentive fees or carried interest or pay reduced management fees, performance/incentive fees or carried interest.

With respect to certain Investment Funds, Adviser Investors do not pay management fees in connection with their investment in such Investment Fund. Notwithstanding that such Adviser Investors will not pay management fees, Adviser Investors will pay for their pro rata share of certain Investment Fund expenses or the pro rata portion of such Adviser Investors' expenses will be allocated to the applicable Adviser or affiliate or the general partner of the applicable Investment Fund.

Our fees are exclusive of third-party fees, costs and expenses (including payments to the Advisers' affiliates, as discussed in greater detail in Item 11 below) actually incurred in connection with the services provided directly or indirectly for our Investment Funds or Separate Accounts, including, without limitation, those incurred for:

1. all legal, regulatory, compliance, printing, travel, filing and other organizational expenses incurred in the formation, marketing and organization of an Investment Fund and associated entities (including the general partner entities) and the offering and sale of limited partnership interests to prospective investors and prospective investors in any associated entities, regardless of whether such prospective investors or other investors are admitted to the Investment Fund or, for certain Separate Account Clients, the Separate Account legal structure (in some cases, this may be subject to a certain dollar cap, above which the Adviser will bear the excess);
2. identifying, investigating, acquiring, owning, financing, hedging, expanding, operating, originating, managing, maintaining, repairing, researching (including research related to potential or actual investments (whether or not such investments are ultimately consummated), improving, servicing and disposing of assets (including in connection with any default, bankruptcy, restructuring (including enforcing rights or amending terms) or refinancing of such investments, hedging and financing and acquisition of any such investments of the Investment Fund or Separate Account and for providing services;
3. property condition, architectural, engineering, environmental or other studies of or reports on proposed or existing investments, including for due diligence, for compliance with law and regulation, for tenant counterparty and other background checks and credit evaluations;
4. legal counsel, accountants, appraisers, loan servicers service providers, third party appraisers, valuation experts and other consultants or professionals (including fees in connection with the provision of administration, financial, accounting and reporting services to the Investment Funds and

- their limited partners and to Separate Account clients, including any initial set-up fees and expenses, and maintaining the books and records of an Investment Fund or Separate Account);
5. due diligence costs, rating agency expenses,
  6. reasonable and necessary expenses of the members of the advisory board and investor participation in meetings of Investment Fund limited partners;
  7. insurance costs for properties and other assets, as well as insurance premiums for professional liability (including any director and officer, or "errors and omissions" liability insurance), including insurance of which the Advisers and affiliates are beneficiaries, to the extent permitted under the applicable Advisory Agreements and for any other matters permitted under the offering documents;
  8. taxes, assessments, utilities and similar costs, and fees or other governmental charges levied against an Investment Fund and costs and expenses incurred in connection with any tax audit, investigation, settlement or review of an Investment Fund;
  9. litigation, judgment, enforcement, and other dispute resolution costs;
  10. administrative expenses;
  11. costs related to any credit facility and debt (including principal and interest payments), including any credit facility or subscription line and the cost of arranging any such facility or line and in connection with the origination, syndication or acquisition of real estate-related indebtedness and preferred equity;
  12. other costs and expenses that would not otherwise be operating expenses (subject to approvals as may be required under the applicable Advisory Agreements);
  13. portfolio management fees;
  14. asset management fees payable by a subsidiary;
  15. incentive fees;
  16. project management fees;
  17. lease and tenant related matters, including leasing commissions, tenant improvements, tenant concessions, ownership costs, tenant retention expenses;
  18. travel, accommodation and related expenses (which include all expenses for the use of first class or business class travel, black car ground transportation, accommodations, meals, events and entertainment);
  19. business development and marketing activities (including personnel providing marketing and related services for such investments from our or an affiliate's offices), training activities, hardware, software (including but not limited to Yardi, Workspace, Hightower, Juniper Square, Dealpath, and View the Space) and other applications, and research (including any research or other service that may be deemed to be bundled for the benefit of such Fund or Separate Account, as well as information technology systems used to obtain such research or other information), as related to the business or operations of Investment Funds and the investments of such Investment Funds and Separate Accounts;
  20. all quotation and valuation costs and expenses, including, without limitation, the fees and out-of-pocket expenses of any appraiser;
  21. all costs relating in any way to any offerings of interests in Investment Funds following the first closing (regardless of whether interests in such Investment Funds are ultimately issued), including costs relating to preparing offering documents, verifying investor or client suitability requirements, establishing any related vehicles and complying with any and all applicable laws, orders and regulations related thereto, as determined by the Advisers in their sole discretion, complying with the laws of applicable jurisdictions and payment of filing fees;
  22. all costs relating to client reporting and interface software;
  23. all costs relating in any way to forming, operating, and maintaining vehicles formed to facilitate the admission of one or more investors into any Investment Fund, including any feeder or blocker entities, and complying with any and all applicable laws, orders, and regulations related thereto;
  24. Commissions, brokerage fees, registration fees and expenses, custodial fees and expenses, and other investment costs incurred in connection with investments;
  25. all pursuit costs and other costs in pursuing investments, even if one or more investors in an Investment Fund or a Separate Account client opt out of the investment, including any fees incurred under cost-sharing or other agreements;
  26. flexible office space solution providers, the costs of which will be covered by an Investment Fund or

- Separate Account subsidiary, project partnership or Investment Fund or Separate Account asset;
27. IT operating platform providers, the costs of which will be covered by an Investment Fund or Separate Account subsidiary, project partnership, Investment Fund or Separate Account asset or the tenants of such asset;
  28. any other matters as are permitted under the applicable Advisory Agreements; and
  29. amounts to be contributed or advanced to any Investment Fund or Separate Account subsidiary or investment for the purpose of such entity or investment paying any cost of the type described in the foregoing items.

In addition, the Investment Fund may bear certain other expenses that the general partner determines to be in the best interest of the Investment Fund, as applicable, including charitable and/or political contributions, subject to any limitations set forth in such Investment Fund's organizational documents.

Unless provided for herein or in the applicable Advisory Agreements or fund documents and other than the expenses summarized above which are charged through to the applicable client, the Advisers will be responsible, without reimbursement from Investment Funds or Separate Accounts, for the costs and expenses of its own internal general overhead, namely the cost of its office space, supplies, salaries or other compensation of its employees (but excluding those of a service provider (including any affiliated service provider), and costs of consultants, advisors and others retained to provide services for Investment Funds or Separate Accounts or their properties or tenants).

In addition, some joint venture or service provider arrangements entered into with Investment Funds or Separate Accounts or related parties provide for a promote, incentive, performance or other fees or ownership interest in the subject property to be granted to such joint venturers or service providers. Such compensation will be ultimately borne by the client or the client's property and not the Advisers and, for certain clients, the clients will be bearing two levels of promote and fees – one to the applicable Adviser and one to the service provider or joint venturer. Further, such joint venture or service provider arrangements (including those with affiliates of the Advisers) from time to time provide for certain costs and expenses of such joint venture or service provider (including but not limited to compensation (including but not limited to salary, bonus, payroll taxes and benefits) and overhead (including but not limited to rent, property taxes, and utilities attributable to the workspaces) attributable to certain joint venturer or service provider employees) to be reimbursed by the client, the joint venture or the underlying property, including the fees and costs of internal legal counsel, accounting, IT, reporting and other administrative type costs. The management fee or other amounts payable by a client will not be reduced in connection with any such compensation to a joint venture or service provider.

From time to time, the general partner (or analogous party) of an Investment Fund creates and maintains certain feeder, blocker, or other special purpose vehicles or similar structuring vehicles for purposes of accommodating certain tax, legal, regulatory or other considerations of investors ("SPVs"). In the event the general partner (or analogous party) creates an SPV, such SPV will contain terms similar, but not the same, as those contained in the organizational documents of the Investment Fund. Further, the investors in such SPV will typically bear all expenses related to its organization, formation, operation, and other related expenses ("SPV Costs") incurred solely for the benefit of the SPV. In certain situations and where permitted, the main Investment Fund will bear some or all of the SPV Costs (including, without limitation, expenses of accounting and tax services) of the SPV.

In certain cases, a co-investment vehicle, a parallel vehicle or other similar vehicle established to facilitate the investment by investors to invest alongside the Investment Fund is formed in connection with the consummation of a transaction or portfolio. In the event such a vehicle is created, the investors in such co-investment vehicle will typically bear all expenses related to its organization, formation, operation, and other related expenses incurred solely for the benefit of the vehicle. The Adviser and its affiliates have discretion to (i) receive performance-based compensation, management fees or similar fees from co-investment vehicles or co-investors and (ii) collect customary fees in connection with actual or contemplated investments that are the subject to co-investment arrangements.

Unless otherwise provided, and consistent with the organizational documents of an Investment Fund, the co-investment vehicle, parallel vehicle or other similar vehicle will generally bear its pro rata portion of expenses incurred in the making an investment. If a proposed transaction is not consummated, no such vehicle generally will have been formed, and the full amount of any expenses relating to such proposed but not consummated transaction (including any expenses relating to the organization of such vehicle that was not ultimately formed, termination fees, extraordinary expenses such as litigation costs and judgments and other expenses, collectively "Dead Deal Costs") would therefore be borne by the applicable Investment Fund or Investment Funds. Furthermore, if a proposed transaction is not consummated and a co-investment vehicle has been formed for the purpose of making an investment in such proposed transaction (or co-investors have otherwise committed to invest in the proposed transactions), some or all of the Dead Deal Costs will typically be borne solely by the applicable Investment Fund(s), but not by the co-investment vehicle or other co-investor to which the co-investment opportunity was offered. Similarly, co-investment vehicles and co-investors are not typically allocated any share of break-up or termination fees paid or received in connection with such an unconsummated transaction. Furthermore, to the extent permitted under the applicable governing legal document and to the extent a co-investment vehicle is formed in connection with a proposed transaction, expenses relating to such co-investment vehicle may, in certain situations, be borne by another Investment Fund(s), regardless of whether such proposed transaction is consummated. From time to time, certain Investment Funds will incur certain ongoing expenses that benefit a co-investment vehicle or co-investor (for instance, insurance premiums). In such instances, these ongoing expenses will be borne solely by the applicable Investment Fund or Investment Funds and will not be borne by any benefiting co-investment vehicle or co-investor.

For Separate Accounts, clients or the properties which they own are generally charged for the management fees. Generally, management fees for Separate Accounts are charged quarterly in arrears. To the extent that a Separate Account is in existence less than a full calendar quarter, the management fee will generally be prorated. Performance-based compensation, if any, is either billed to the client or deducted from the clients' assets.

For Investment Funds, management fees are charged either quarterly or monthly in arrears. Other fees are generally deducted after the applicable services are performed. The fees and incentive distributions are typically deducted from the assets of the pooled vehicle or from cash flows attributable to such funds.

From time to time, the Adviser will be required to decide whether certain fees, costs and expenses should be borne by the Adviser, an Investment Fund or Separate Account, an asset held by an Investment Fund or Separate Account, co-investors, or a third party (each, an "Allocable Party"). Certain fees, costs and expenses may be the obligation of one particular Allocable Party and may be borne by such Allocable Party or fees costs and expenses may be allocated among multiple Allocable Parties. The Adviser allocates fees, costs and expenses in accordance with Advisory Agreements. To the extent not addressed in the Advisory Agreements, the Adviser will make allocation determination among Allocable Parties on a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation (which such methodologies may include pro rata allocation based on the respective capital commitments of an Investment Fund or Separate Account, pro rata allocation based on the respective investment (or anticipated investment) of an Allocable Party in an investment, relative benefit received by an Allocable Party, or such other equitable method as determined by the Adviser in its sole discretion. The Adviser will make any corrective allocations and take any mitigating steps if it determines in its sole discretion that such corrections are necessary or advisable to ensure allocations are equitable on an overall basis in its good faith judgment. Notwithstanding the foregoing, the portion of an expense allocated to an Investment Fund or Separate Account for a particular service may not reflect the relative benefit derived by such Investment Fund or Separate Account from that service in any particular instance and an Investment Fund or Separate Account will bear more or less of a particular expense based on the methodology used. There maybe occasions when one Allocable Party (the "Payor Allocable Party") pays an expense common to multiple Allocable Parties (the "Allocated Parties"). On such occasions, each Allocated Party will reimburse the Payor Allocable Party for its share of such expense, generally without interest, promptly after the payment is made by the Payor Allocable Party. While unlikely, it is possible that one of the Allocated Parties could default on its obligation to reimburse the Payor Allocable Party. Any methodology



chosen by the Adviser involves inherent conflicts of interest and could result in a greater expense to the clients or an asset held by clients than would be the case if such allocations were performed by third parties.

## 6. Performance Based Fees and Side-by-Side Management

Certain of the Advisers receive performance fees or incentive fee distributions for certain Separate Account clients. Such fees are specifically tailored to the Separate Account client and are generally based on achieving a return or a level of net operating income for a portfolio at or above a pre-specified benchmark or other specified threshold. There is no standard performance fee or incentive fee structure for Separate Accounts; performance-based compensation structures are dependent on the nature of the client and the mandate. Accordingly, these structures vary from client to client.

The Advisers also receive from certain of their sponsored Investment Funds performance fees and incentive distributions (including carried interest payments) based on surpassing a pre-specified return or benchmark and, for closed-end Investment Funds, returning investors' capital contributions. Such incentive distributions may be based on realized returns and/or meeting a pre-specified return or high-watermark, or, in certain cases, an incentive distribution based on unrealized returns. For its open-end U.S. Core Fund and U.S. Credit Fund, CBRE Investment Management receives a performance fee based on the fund's outperformance against a stated benchmark. There is no standard performance fee or incentive fee structure for Investment Funds which are dependent on the nature of the fund and fund strategy. Accordingly, these structures vary from client to client.

Because of the receipt of Transaction Fees and the different performance-based compensation or incentive distribution arrangements in place for certain of our clients, we have an incentive to (i) favor clients that pay such fees, compensation or distributions over those that do not or (ii) favor clients that pay such fees, compensation or distributions at a higher effective rate or that have a different vintage or investment basis. Without our controls, this incentive could, for example, affect our decision to effect real estate transactions for some clients and not for others if we believe the transaction will be more profitable for us. Similarly, our receipt of such fees, compensation or distributions in the absence of controls could also incentivize us to make investments that are riskier or more speculative than we would make if we did not receive such fees, compensation or distributions. In addition, certain Separate Accounts and Investment Funds may have similar and, in some instances, overlapping investment strategies and objectives.

Further, for certain development fund(s) where the Advisers have the right to receive a performance fee based on a broker opinion of value process for the underlying development assets, rather than an actual sale of the underlying asset, there is a risk that the Advisers' performance fees may be calculated using valuations for assets that are higher than the actual sales proceeds that the Fund would receive if such assets were sold to a third-party seller. Further, the value of the applicable assets may later decrease after the Advisers have received their fees. Both situations could result in the Advisers' fees being higher than it otherwise would be had it been calculated upon the actual sale of such underlying assets.

The broker opinion of value process further raises potential conflicts of interest in that the Advisers and their affiliates (including joint venture partners) may have an incentive to engage a broker that is likely to value the assets more highly than its true market value, as that will increase the fees paid.

These risks are mitigated by our structure and our policies and procedures which seek to provide that investment decisions are made without consideration to our pecuniary interests, and instead are made in accordance with the governing legal documents relating to a client account, our fiduciary duties to all client accounts and our Investment Allocation Program, described below.

### Investment Allocation Program

The Advisers maintain an allocation policy for U.S. investments which is designed to ensure that each U.S. Investment Fund and Separate Account (each, a "client") is treated consistently, fairly, and equitably, taking



into account the differences in mandates and the uniqueness of individual investment opportunities.

Under the U.S. allocation policy, an initial screening process is used to determine the appropriate client(s) for a potential investment opportunity by reviewing client investment criteria, including, without limitation, the following factors: client capital requirements, risk profile, geographic location/target market, property type, transaction structure, return requirements, leverage requirements/limitations, and CapEx requirements.

If the Chief Investment Officer, Americas Direct Real Estate ("CIO-Americas") deems that a potential investment opportunity is appropriate for more than one client, and more than one client wishes to pursue the opportunity within the applicable time frame (in each case, as determined by the applicable Portfolio Manager on behalf of the client), then the opportunity will be allocated based on a rotational sequence. Rotational allocation offers opportunities first to the client that has gone the longest time since last being awarded an allocated opportunity. The rationale for the allocation decision will be documented, along with the evidence of the rotational sequence. A client who is awarded an allocated investment will lose its priority placement in the rotation queue (i.e., the client will drop to the end of the rotation queue) irrespective of whether the client subsequently closes on the awarded investment. The rotational allocation list will include all active funds and separate accounts in the Americas other than the Strategic Partners and Credit Partners fund series. However, the Strategic Partners fund series may pursue an opportunity that no other client wishes to pursue.

The client that receives an allocation must be able to accept the entirety of the opportunity; there will be no partial allocations (for example, a client only wants 49% of a transaction). If a client fails to close on an opportunity (or fails to demonstrate reasonable progress in actively pursuing the allocated opportunity within seven business days (or such other reasonable time period) of such allocation) that has been allocated to it, the opportunity may be reallocated in accordance with this allocation policy as if it were a new transaction, and that client will lose its priority placement in the rotation queue and will drop to the end of the rotation queue.

If the CIO-Americas deems that a potential investment opportunity is appropriate for only one client, or only one client wishes to pursue the opportunity, the investment opportunity may be pursued by such client and will not impact the client's order placement in the rotation queue.

Notwithstanding the foregoing, the following potential investment opportunities will be excluded from the rotational allocation policy described above and will not impact the client's order placement in the rotation queue:

- Value-Add: Opportunities that are classified as "value-add" (using the criteria below) will first be offered to the Strategic Partners fund series.
- Programmatic / Follow-On: Opportunities that relate to a programmatic venture or a follow-on transaction will first be offered to the client which established the programmatic relationship or completed the predecessor transaction. The foregoing will include a new transaction that is strategically tied to a previously allocated transaction due to proximity or strategic connectivity, such as being located in the same business park, a retail pad adjacent to an existing center and similar types of connections.
- Client Sourced: Opportunities identified and introduced by a client will first be offered to the client that identified and introduced the opportunity so long as they are not broadly marketed opportunities.

If one of the above opportunities is not accepted by the eligible client (and therefore not pursued by it), then the opportunity will be allocated pursuant to the rotational allocation process.

Any new client added to the rotational allocation process shall start out in the last position in the rotation.

The Advisers may from time to time establish rotational queues for specific asset types. To the extent any such asset type is appropriate for a particular Investment Fund or Separate Account, in the Advisers' sole discretion, the allocation would be determined by a rotational process similar to that described above, though such rotation

would include only those Investment Funds or Separate Accounts that would be eligible to invest in such asset type.

#### "Value-Add" Criteria

The below criteria are typical guidelines that will be used to help determine if an opportunity is considered value-add; an opportunity does not need to satisfy all of the criteria. These criteria are only guidelines and the Advisers can determine, based on additional factors, if a transaction that does not fall within the criteria is still considered value-add.

- *Leasing characteristics:*
  - More than 20% vacant,
  - More than 30% of the current leases are terminating in the next 24 months, or
  - More than 40% of a combination of current vacancy or lease expirations in the next 24 months.
- *Capital characteristics:* More than 20% of the building gross asset value must be invested in base building work, tenant improvements, and leasing commissions over the first 24 months.
- *Return characteristics:* More than 30% of the unlevered gross IRR is derived from appreciation.
- *Holding period characteristics:* The base case hold period is 5 years or fewer.

#### Development Partnership Program

The Advisers have entered into a Partnership Program with an affiliated development company, Trammell Crow Company. The Partnership Program offers investment opportunities exclusively to clients that are eligible to participate in the program, as determined by the Advisers. Investment opportunities within the Partnership Program are allocated to eligible clients in the program in accordance with the rotational allocation policy described above.

The Advisers' allocation policy provides an objective framework to categorize and allocate investment opportunities. In the event that the application of this policy results in a conflict within the investment team, the determination or resolution will be mediated by the CIO-Americas or an appropriate designee.

## 7. Types of Clients

The Advisers' Investment Fund clients are the Investment Funds themselves and the Advisers' Separate Account clients include U.S. and non-U.S. public and corporate pension plans, sovereign wealth funds, insurance companies and other financial institutions, endowments, foundations, family offices, other institutions, and other real estate investment vehicles.

The Advisers also serve as an investment manager or adviser of Investment Funds formed in order to facilitate investment by institutional and other investors. Such investors include banks, and other financial institutions, insurance companies, investment companies (including interval funds), public and private pension plans, sovereign wealth funds, high net worth individuals, employees of the Advisers, and certain other business entities and organizations not listed above. The Investment Funds are typically formed as Delaware, Luxembourg, or Cayman Islands limited partnerships or limited liability companies. Unless otherwise stated in a prospectus or other constituent documents for an Investment Fund, the minimum required investment amount for an investor in an Investment Fund is generally \$5 million, although the Advisers and their affiliates have discretion to accept a lower investment amount.

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

### INVESTMENT STRATEGIES

The Advisers and their affiliates within the Investment Management division of CBRE sponsor the following real

estate investment programs.

- Direct real estate investments. This includes the following strategies:
  - ▷ A “Core” strategy seeks to invest in real estate with stable current income and appreciation returns commensurate with a low to moderate level of risk. The majority of the return will be based on cash flow. Investments are typically located in major markets and are substantially leased, institutional-quality assets. Leverage is moderate with generally an upper limit of 40% loan to value or cost. Property types are institutional-quality office, industrial, retail and multi-family.
  - ▷ A “Value Added” strategy seeks to invest in real estate with a moderate risk profile and greater appreciation potential than Core. The returns will come from a blend of income and appreciation. Leverage is generally limited to 60% loan to value or cost. Property types are institutional-quality office, industrial, retail, hotel and multi-family.
  - ▷ An “Opportunistic” strategy seeks to invest in real estate with high-risk attributes; returns are often largely dependent on future appreciation. Leverage can be 75% loan to value or cost or greater. Property types include office, industrial, retail, hotel and multi-family. Investments in operating companies and development are also considered.
- Real estate debt. This includes the origination, syndication and acquisition of mortgage loans, mezzanine loans and real estate-related securities.
- Unlisted indirect real estate. This includes global unlisted real estate portfolios, fund-of-fund vehicles or third-party funds, club and joint venture transactions, and recapitalizations and investments in existing real estate portfolios managed by third parties.
- Listed real estate and infrastructure company securities. This includes global listed real estate and infrastructure securities portfolios.
- Direct and indirect private infrastructure. This includes investment in private infrastructure companies and indirect investment into private infrastructure investments managed by third parties.

## METHOD OF ANALYSIS

A portfolio or fund manager is typically assigned to each program, fund series or client (or more than one complementary client with similar strategies). Each manager is supported by the Advisers' shared resources, including the Americas acquisition and asset management team, as well as by research, legal, compliance, and investor reporting. The Advisers seek to harness their own real estate investment strengths as well as the resources of CBRE's leasing, property management, acquisition and disposition brokerage, and debt professionals for the benefit of our investors.

The Advisers use an investment analysis approach that is grounded on thorough due diligence of, and underwriting on, a real estate related investment. The acquisition and disposition team utilize a disciplined, research-based investment process that dictates a structured approach for the selection, underwriting, pricing, closing, operation and disposition of investments. Generally, the Advisers' real estate investment team focuses on investments in high-quality properties in highly rated major metropolitan areas. Property-level operating and exit strategies are formulated during the acquisition phase of an investment and these strategies may be continually re-evaluated based on the client's investment strategy and the research outlook for the capital and property markets.

The due diligence and underwriting process is designed to mitigate physical and financial risk and to uncover opportunities for creating value. The general focus of due diligence is to audit and challenge the information provided by the seller, developer or fund manager and to evaluate broader opportunities represented by potential transactions. Specialists are generally engaged to assess physical and environmental conditions, tenant credit, building measurement and other aspects of the investment.

In development transactions, the team may also retain third-party and affiliated service providers to assess and evaluate development feasibility, construction risk, and development partner background. The team may complete a detailed tenant review, including tenant interviews, to understand tenant creditworthiness and

opportunities for value creation through negotiating improved rental rates or longer lease terms.

A key element of the underwriting and due-diligence processes includes input from CBRE or third-party leasing specialists. “On-the-ground” local market and tenant information, including rental data, leasing activity and new development potential, may be utilized to help ensure that the advice provided to clients capitalizes on, and adjusts to changing market conditions. These leasing specialists may also provide the teams with “local market intelligence” including how the property is positioned and perceived in the marketplace, factors impacting tenant demand, strategic threats to the asset and opportunities to add value through repositioning strategies. In addition, working with these specialists allows the team to prepare a more comprehensive capital expenditure budget that outlines the costs involved in repositioning an asset from a physical perspective including curing deferred maintenance issues.

An Americas Direct Investment Committee generally approves certain acquisitions, dispositions, financings and newjoint ventures related to investments made on behalf of equity real estate clients. An Americas Credit Investment Committee approves transactions related to the credit business, including the issuance of new loans, related financings and the sale or foreclosure of existing loans. The two Americas Investment Committees include employees with substantial experience in commercial real estate investment management and operations and, in select cases, senior members of the dedicated investment team for the applicable investment program or operating unit. In addition, to ensure a level of independence, the Americas Direct Investment Committee has independent members with no affiliations to the team. The members of the Americas Investment Committees are described in Form ADV Part 2B.

## RISKS

Investors in Investment Funds should refer to the applicable offering memorandum or private placement memorandum for a detailed discussion of risks relevant to that particular fund.

General Real Estate Risks. Real property investments are subject to varying degrees of risk. The yields available from equity investments in real estate depend in large part on the amount of income generated and expenses incurred. If the investments do not generate revenues sufficient to meet operating expenses, including debt service, tenant improvements, leasing commissions and other capital expenditures, clients may be required to fund or borrow additional amounts to cover fixed costs, and the cash flow of such client account (and, with respect to Investment Funds, its ability to make distributions to investors) will be adversely affected. Although each investor will generally be investing in a range of investments, all real estate investments are speculative in nature and the possibility of partial or total loss of capital exists. Clients should not enter into an advisory relationship with us, and investors should not subscribe to or invest in an Investment Fund we manage unless they can readily bear the consequences of such loss. Revenues and the value of properties may be adversely affected by a number of factors, including: the national, state and local economic climate and real estate conditions (such as oversupply of or reduced demand for space and changes in market rental rates); the perceptions of prospective tenants of the safety, convenience, location and attractiveness of the properties; our ability, on behalf of a client, to provide or procure adequate management, maintenance and insurance for real estate properties held in client accounts; the financial condition of tenants, buyers and sellers of property; the ability to collect on a timely basis all rent from tenants; the expense of periodically renovating, repairing and releasing spaces; structural or property level latent defects; uninsured losses or delays from casualties or condemnation (such as hurricanes, floods and earthquakes); increasing operating costs (including real estate taxes and utilities) which may not be passed through to tenants; and acts of God and other factors beyond our control.

Certain significant expenditures associated with investments in real estate (such as mortgage payments, real estate taxes, insurance and maintenance costs) are generally not reduced when circumstances cause a reduction in rental revenues from the property. In addition, real estate values and income from properties are also affected by such factors as compliance with applicable laws, including regarding zoning and usage, environmental and tax laws, interest rate levels and the availability of financing. The amount of available

rentable square feet of commercial property is often affected by market conditions and may, therefore, fluctuate over time. In addition, real estate values and income from properties are also affected by such factors as compliance with applicable laws, including regarding zoning and usage, environmental and tax laws, interest rate levels and the availability of financing. Also, the amount of available rentable square feet of commercial property is often affected by market conditions and may, therefore, fluctuate over time. Investments in existing entities (e.g., buying out a distressed partner or acquiring an interest in an entity that owns a real property) could also create risks of successor liability.

Dependence on Key Personnel. The success of an Investment Fund will depend in part upon the skill and management expertise of the Adviser Personnel. Although their interests in the general partner should tend to discourage them from withdrawing from participation in an Investment Fund's investment activities, there can be no assurance that the Adviser Personnel will continue to be associated with the general partner or its affiliates. The loss of the services of any Adviser Personnel (or other real estate professional of CBRE Investment Management) could have an adverse effect on the operations of the Investment Fund. In addition, certain investment decisions must be approved by an Americas Investment Committee, and if members of the applicable Americas Investment Committee cannot agree on any aspects of these decisions, the investment results of the Fund may be adversely impacted.

Lack of Limited Partner Control Over Policies of the Investment Fund. The acquisition, management, financing, leasing and disposition policies of an Investment Fund and its policies with respect to certain other activities, including its distributions and operating policies, will be determined by its general partner, the Adviser and its affiliates. These policies may be changed from time to time at the discretion of the Investment Fund's general partner and/or Adviser and its affiliates without a vote of the Investment Funds' Limited Partners. Although investors may have the opportunity to discuss information about an Investment Fund with the general partner, the Limited Partners must rely on the general partner to conduct and manage the affairs of the Investment Fund. Accordingly, no investment should be made unless the investor is willing to entrust substantially all aspects of investment, management and administration to the general partner. Any such changes could be detrimental to the value of the Investment Fund.

Illiquid Investments. The investments to be made by the Investment Funds and Separate Accounts are relatively illiquid. Illiquidity may result from the absence of an established market for the investments, adverse changes to market conditions, as well as legal, contractual or other restrictions on resale by the Investment Fund and Separate Account. Dispositions of investments may be subject to legal, contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. The possibility of partial or total loss of capital will exist.

Our ability to quickly modify the contents of a client portfolio in response to changes in economic and other conditions will be limited. There can be no assurance that a client will be able to dispose of an investment when it finds disposition advantageous or necessary or that the sale price of any disposition will recoup or exceed the amount of an investment by such client.

Risks Related to Uncertainty in Real Estate Valuation. The valuation of the commercial real estate that secures or otherwise supports the Investment Funds' or Separate Accounts' investments is inherently subjective and uncertain due to, among other factors, the individual nature of each property, its location, the expected future rental revenues from that particular property and the valuation methodology adopted. In addition, where the Investment Fund and Separate Account invest in construction loans, initial valuations will assume completion of the project. As a result, the valuations of the commercial real estate that secures or otherwise supports investments are made on the basis of assumptions and methodologies that may not prove to be accurate, particularly in periods of volatility, low transaction flow or restricted debt availability in the commercial real estate markets.

Expedited Transactions. Investment analyses and decisions by the Advisers and/or the general partner of an Investment Fund or Separate Account may from time to time be required to be undertaken on an expedited

basis to take advantage of investment opportunities. In such cases, the information available to such Adviser or general partner at the time of making an investment decision may be limited, and the general partner may not have access to detailed information regarding the investment, such as physical characteristics, environmental matters, zoning regulations or other conditions affecting the property supporting the debt investment. Therefore, no assurance can be given that the Advisers and/or relevant general partner will have knowledge of all circumstances that may adversely affect an investment. In addition, the Advisers expect to rely upon independent consultants in connection with its evaluation of proposed investment assets, and no assurance can be given as to the accuracy or completeness of the information provided by such independent consultants or to the Investment Fund's or Separate Account's right of recourse against them in the event errors or omissions do occur.

Availability of Attractive Investments. The Investment Funds' and Separate Accounts' operating results will be dependent upon the availability of, as well as the Advisers' ability to identify, consummate, manage and realize, appropriate commercial real estate debt investment opportunities. It may take considerable time for an Adviser to identify and consummate appropriate investments. In general, the availability of desirable commercial real estate debt investment opportunities and the Investment Fund's or Separate Account's investment returns will be affected by the level and volatility of interest rates, by conditions in the financial markets and general economic conditions. No assurance can be given that the Advisers will be successful in identifying, underwriting and then consummating investments which satisfy the Investment Funds' or Separate Accounts' rate of return objectives or that such investments, once consummated, will perform as intended. The Investment Funds and Separate Accounts will be engaged in a competitive business and will be competing for attractive investments with traditional lending sources, as well as existing funds or investment vehicles, or funds or investment vehicles formed in the future, with similar investment objectives.

Risks of Leverage. The Advisers intend that certain Investment Funds and Separate Accounts will leverage their investments with debt financing that will be non-recourse to investors. Although the use of leverage may enhance returns and increase the number of investments that can be made, it may also substantially increase the risk of loss of principal, especially if real estate values decline. The use of leverage will increase the exposure of an Investment Fund's or Separate Account's investments to adverse economic factors, such as rising interest rates, economic downturns, or deteriorations in the condition of the Investment Fund's or Separate Account's investments or their respective markets. In the event that an investment of an Investment Fund or Separate Account is unable to generate sufficient cash flow to meet debt service payments or there are other defaults under any loan documents underlying its indebtedness, the lender will be entitled to exercise the remedies specified under the loan documents, as well as its remedies under the law. These remedies may include acceleration of the indebtedness and foreclosure on any collateral securing the loan. A lender seeking to enforce its claims may have recourse to an Investment Fund's or Separate Account's portfolio generally and not be limited to any particular investment of the Investment Fund or Separate Account, such as the asset giving rise to or securing the liability. Debt also may not be available to the Investment Fund or Separate Account or its subsidiaries on the terms and conditions and at the rates or in amounts that are consistent with the Investment Fund's or Separate Account's investment strategy.

Hedging Risk. Investment strategies may employ hedging techniques designed to protect an Investment Fund or Separate Account against adverse movements in interest rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Investment Fund or Separate Account may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates may result in a poorer overall performance for the Investment Fund or Separate Account than if it had not entered into such hedging transactions. To the extent that the Advisers elect to employ hedging strategies (and they are under no obligation to do so), the use of hedging instruments carries certain risks, including the risk that losses on a hedge position will reduce earnings and funds available for distribution. There is no perfect hedge for any investment, and a hedge may not perform its intended purpose of offsetting losses on an investment and, in certain circumstances, could increase such losses. There can be no assurance that techniques used in hedging strategies will always be available, that the Advisers will engage in these techniques when available, or that the hedging strategies will be successful in limiting any applicable risks.



Currency and Exchange Rates Risk. The functional currency of certain Investment Funds (as well as its underlying investments) is the U.S. dollar. Accordingly, non-U.S. investors will be subject to the risks associated with fluctuations in currency exchange rates between the U.S. dollar and their national currencies. The general partner does not currently intend to hedge any such risks.

Co-Investment Risk. An Investment Fund may invest alongside financial, strategic or other third-party co-investors through joint ventures or other entities (especially with respect to certain investments that can only be made by the Investment Fund with other third-party co-investors) which may have larger or controlling ownership interests in such investments. In such cases, the Investment Fund will rely significantly on the manager of such investments, which may include representatives of other financial investors with whom the Investment Fund is not affiliated and whose interests may at times conflict with the interests of the Investment Fund. Investments alongside co-investors will involve additional risks that may not be present in investments where a co-investor is not involved, including the possibility that a co-investor or co-investors may have interests or objectives that are inconsistent with those of the Investment Fund or may be in a position to take actions contrary to the Fund's investment objectives or may have financial difficulties or otherwise default on their obligations, resulting in a negative impact on such investment. A third-party co-investor may be in a position to take (or block) action in a manner contrary to the Investment Fund's investment objectives, including through the voting of securities or a disposition of its investment. In addition, the Investment Fund may in certain circumstances be liable for the actions of its third-party co-investors. Investments made with third parties in joint ventures or other entities also may involve carried interests and/or other fees payable to such third-party partners or co-ventures. There can be no assurance that minority shareholder rights will be available to the Investment Fund with respect to any non-controlling investment or that such rights will provide sufficient protection or liquidity opportunity of the Investment Fund's interests.

Risks Related to Interest Rate Fluctuation. Interest rate fluctuations could significantly decrease the Investment Funds' or Separate Accounts' ability to generate income on its investments, which could materially and adversely affect such Investment Funds or Separate Accounts. The Adviser expects the Investment Funds' and Separate Accounts' primary interest rate exposure will relate to the yield on its investments and the financing cost of the Investment Funds' or Separate Accounts' debt. Changes in interest rates affect the net interest income, which is the difference between the interest income an Investment Fund or Separate Account earns on its interest-earning investments and the interest expense such Investment Fund or Separate Account incurs in financing these investments. Interest rate fluctuations resulting in an interest expense exceeding the Investment Fund's or Separate Account's interest income would result in operating losses. Changes in the level of interest rates also may affect an Investment Fund's or Separate Account's ability to originate or acquire investments and may impair the value of the Investment Fund's or Separate Account's investments and the Investment Fund's or Separate Account's ability to realize gains from the disposition of assets. Changes in interest rates may also affect borrower default rates. The Investment Funds' and Separate Account's operating results depend, in part, on differences between the income earned on investments, net of credit losses, and financing costs. For any period during which investments are not match-funded, the income earned on such investments may respond more slowly to interest rate fluctuations than the cost of the Investment Fund's or Separate Account's borrowings. Consequently, changes in interest rates, particularly short-term interest rates, could materially and adversely affect the Investment Fund or Separate Account.

New Regulations. The regulatory environment in which the Advisers operate is subject to heightened regulation. With respect to alternative asset management funds, in recent years the U.S. government has adopted and proposed to adopt new rules or regulations to be applicable to hedge funds, private equity funds or other alternative investment products and their managers. It is difficult to determine the scope and extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with any new laws or regulations could make compliance more difficult and expensive and affect the manner in which the Advisers and the Separate Accounts or Investment Funds and their general partners operate. There may also be an increase in regulatory investigations of the investment activities of alternative asset management funds and their managers, including the Advisers. Such investigations may impose additional expenses on the Investment Funds or Separate Account's, may require the attention of the Advisers' senior management and may result in fines or enforcement actions if one or more Investment Funds



or Separate Accounts are deemed to have violated any regulations.

The U.S. Commodity Futures Trading Commission (the “CFTC”) has authority, as a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act, to regulate so-called “swap” transactions. The CFTC has formally defined the term “swap” to include certain interest-rate and similar transactions, which transactions the Investment Funds may either directly enter into or otherwise have exposure to from time to time in an effort to hedge interest rate fluctuations relating to underlying real estate assets. The Advisers expect the Investment Funds’ general partners to be exempt from registration with the CFTC as commodity pool operators with respect to the Investment Fund under CFTC Rule 4.13(a)(3) because of the Investment Fund’s limited trading in commodity interests, so that unlike a registered commodity pool operator, with respect to the Investment Fund, the General Partner is not required to deliver a disclosure document or an audited annual report (as these terms are used in the CFTC’s rules) to Limited Partners.

Litigation. In the ordinary course of its business, the Advisers may be subject to litigation from time to time. In addition, the acquisition, ownership and disposition of real property entails certain litigation risks. Litigation may be commenced with respect to a property acquired by an Investment Fund or its subsidiaries in relation to activities that took place prior to an Investment Fund’s acquisition of such property. Further, at the time of disposition of a property, a potential buyer may claim that it should have been afforded the opportunity to purchase the asset or alternatively that such buyer should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosures made, if such buyer is passed over in favor of another. Similarly, buyers of an Investment Fund’s assets may later sue such Investment Fund under various damage theories, including those based in tort, for losses associated with latent defects or other problems not uncovered in due diligence. The outcome of such proceedings may materially adversely affect the value investments in the Investment Funds or Separate Accounts and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Dependence on Tenants. Real estate investing depends, in part, on tenants for revenue. Adverse changes in the financial condition of any tenant will have an adverse effect on the ability to collect rent payments. Any defaults on lease payment obligations by a tenant will cause an investment to lose the revenue associated with the relevant lease. If such defaults become significant, funds from other sources may be required to make payments on the mortgage indebtedness secured by the impacted property to avoid foreclosure. If a tenant defaults, there may be delays in enforcing rights as a landlord and result in substantial costs in protecting its investments. Further, a bankruptcy filing by, or relating to, a tenant or a lease guarantor would bar efforts to collect pre-bankruptcy debts, including past due balances under the relevant leases, and could ultimately preclude collection of these sums. In addition, if a tenant at a single-user facility, which has been designed or built primarily for a particular tenant or a specific type of use, fails to renew its lease or defaults on its lease obligations, such investment may not be readily marketable as a single-user facility to a new tenant, if at all, without making substantial capital improvements or incurring other significant re-leasing costs. Further, investments may have leases containing co-tenancy provisions, which may allow a tenant to exercise certain rights if, among other things, another tenant fails to open for business, delays its opening or ceases to operate, or if a percentage of the property’s gross leasable space or a particular portion of the property is not leased or subsequently becomes vacant. A tenant exercising co-tenancy rights may be able to abate minimum rent, reduce its share or the amount of its payments of common area operating expenses and property taxes or cancel its lease.

Dependence on Property Managers. Although the Advisers will monitor the performance of their investments, certain investments may be partially the responsibility of affiliated or unaffiliated property managers to manage the investments on a day-to-day basis. A property’s results of operations, including its ability to make payments on any indebtedness, will depend to some degree on the ability of the property managers to operate investments on economically favorable terms. There can be no assurance that the management teams of property management firms employed by the Advisers will be able to operate each of the investments successfully. Moreover, the risks of dependence on property management firms are different by property type and by investment stage. The property managers retained by the Advisers may provide management services

to properties owned by others that compete with one or more of the investments of an Investment Fund or Separate Account. As a result, such property manager may at times face conflicts of interest in the management of investments and other properties managed by such property managers. The property managers retained by the Advisers receive a base property management fee based upon gross revenues. Such fee arrangements may create an incentive for the investments to be managed in a manner that is not consistent with the Advisers' objectives.

Risks Associated with Office Investments. A number of factors may affect the value of office properties, including, among other things, diversification of tenant base (i.e., reliance on one or only a few tenants versus a greater number of tenants or tenants in similar types of businesses versus a greater diversity of businesses); and the location, appearance, amenities and other physical attributes of the properties; and competition from other office properties. Office properties generally require their owners to expend significant amounts for general capital improvements, tenant improvements, and costs of reletting space. In addition, office properties that are not equipped to accommodate the needs of modern businesses may become functionally obsolete and thus non-competitive, or may require substantial capital investment to upgrade facilities in order to be competitive. Office properties may also be adversely affected if there is an economic decline in the businesses operated by their tenants. The risks of such an adverse effect are increased if the property revenue is dependent on a single tenant or if there is a significant concentration of tenants in a particular business or industry. The global outbreak of the 2019 novel coronavirus ("COVID-19") led to an increase in office employees working from home, lessening the demand for office properties by tenants. While many companies and their employees have begun returning to the office, full return-to-office remains uncertain.

Risks Associated with Multi-Family Investments. The value and operation of multi-family properties may be affected by a number of factors, including, among others, the location of the property; the services and amenities provided by the property and its age, condition, appearance, construction quality and other physical attributes; management's ability to provide adequate maintenance and insurance; access to transportation; the level of mortgage interest rates, which may make the purchase of housing a more attractive alternative than leasing; the degree to which the tenant mix is dependent upon a particular segment or segments of the population (i.e., military personnel); the property's reliance upon governmental or rent subsidy programs; and state and local regulations, which may affect the ability to increase rents. Various laws and regulation regulate the relationship of a landlord and its tenants. These laws and regulations, to a greater or lesser extent, provide certain protections or rights for tenants or limit the landlord's ability to take action against a tenant in certain circumstances, including consumer protection statutes that prohibit certain landlord practices.

Risks Associated with Industrial Investments. Although owners of industrial properties are not generally required to expend substantial amounts for general capital improvements, tenant improvements or re-letting costs, various other factors may affect the returns from this type of property in addition to the risks generally applicable to real estate, including, among other things, the design and adaptability of the property and the degree to which it is generally functional for industrial purposes, the proximity to highways and other means for the transportation of goods, the number and diversity of tenants among businesses or industries and the cost of converting a previously adapted space to general use. An industrial property may be more likely to have one or only a few tenants, which increases the risk that a decline in their operations or their particular business or industry segments may adversely affect the returns from the property. Industrial properties typically have short-term leases, which may increase the risk of vacancies. Additionally, a property designed for a particular use or function may be difficult to re-let to another tenant or may become functionally obsolete compared to other properties. Particular uses of industrial properties may increase their risk of environmental problems. In addition, because of unique contribution requirements of many industrial properties, many vacant industrial property spaces may not be easily converted to other uses. Thus, if the operations of any industrial property become unprofitable, the liquidation value of that industrial property may be substantially less than would be the case if the industrial property were readily adaptable to other uses.

Risks Associated with Hotel Investments. The profitability on the hotel properties may be affected by, and can change based on, any of the following items: (i) changes in the national, regional and local economic climate; (ii) reduced demand and increased operating costs and other conditions resulting from terrorist attacks; (iii)

changes in business and pleasure travel patterns; (iv) local market conditions such as an oversupply of hotel rooms or a reduction in lodging demand; (v) the attractiveness of the hotels to consumers and competition from comparable hotels and short-term rentals (like Airbnb and Vrbo); (vi) changes in room rates and increases in operating costs due to inflation and other factors; or (vii) unionization. Certain expenses associated with owning and operating hotels are fixed and do not necessarily decrease when circumstances such as marketing factors and competition cause a reduction in income from the properties. Cost reductions may be difficult to achieve if operating levels continue to decline. Regardless of these efforts to reduce costs, the hotels' expenses may be affected by inflationary increases, and in the case of certain costs, such as wages, benefits and insurance, may exceed the rate of inflation, and the hotels may be unable to offset these increased expenses with higher room rates. Any efforts to reduce operating costs or failure to make scheduled capital expenditures could adversely affect the growth of the hotels' businesses and the value of their properties. Although a majority of the rooms sold on the Internet will be sold through websites maintained by the franchisors and managers of the hotels, a number of rooms may be sold through independent internet sites. Typically, these independent internet sites purchase rooms at a negotiated discount from participating properties, which could result in lower average room rates compared to the room rates that the franchisor or manager may have obtained.

Risks Associated with Retail Investments. The revenues and values of retail properties are subject to a number of factors, such as the overall health of the economy, shifts in consumer demand and spending habits, competition from other forms of retail selling (e.g., discount centers, outlet malls and internet sales), trends in the retail industry and the safety, convenience and attractiveness of the properties. A number of retail leases, in addition to or in lieu of base rent, may include a provision for percentage rent that is dependent upon the amount of a tenant's sales. Rental income attributable to leases with percentage rent provisions may decrease in a general economic downturn that adversely affects tenant sales. Additionally, traditional retail centers often have anchor tenants (i.e., typically a tenant occupying a significant amount of the space). If an anchor tenant suffers a substantial downturn in its business, becomes insolvent or does not renew its lease, the center could experience a material reduction in the income and value of the center. Certain tenants at a retail center may have provisions in their leases permitting them to terminate their leases in the event an anchor tenant no longer occupies its space there. Other tenants at the retail center may refuse to renew their leases when the time comes. These events, individually or collectively, may result in large vacancies at the center for an extended period of time and thus have a substantial adverse effect on the revenues from the center and, consequently, its value. There may also be significant costs incurred to re-let the vacant space of a former anchor tenant and any other tenants that terminate or refuse to renew their leases due to the anchor tenant's vacancy.

Investments in Land; Development and Redevelopment. An Investment Fund may acquire direct or indirect interests in undeveloped land or underdeveloped real property (which may often be non-income-producing), and/or real estate developments or redevelopments. To the extent that an Investment Fund invests in such assets, it will be subject to the risks normally associated with such assets. Such risks include risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of an Investment Fund, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on an Investment 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.

Development Risk. Investment strategies may include real estate development, which will be subject to the risks normally associated with such activities. For example, an Investment Fund or Separate Account may abandon development activities after expending resources to determine their feasibility; the construction cost of a project may exceed original estimates; occupancy rates and rents at a newly completed property may not be sufficient to make the property profitable; financing may not be available on favorable terms for development of a property; and the construction and lease up of a property may not be completed on schedule (resulting in

increased debt service and construction costs) (in all cases including risks beyond the control of the applicable general partner, such as weather or labor conditions or material shortages). Such risks include risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the Advisers, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the Investment Fund or Separate Account. Properties under 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 makes such development less attractive than at the time it was commenced.

Possibility of Future Terrorist Activity. The properties of an Investment Fund or Separate Account may be located in or near major metropolitan areas of the United States. Such properties, or any other properties, or the areas in which they are located could be subject to future acts of terrorism. In addition to the potential direct impact of any such future act, future terrorist attacks and the anticipation of any such attacks could have an adverse impact on the U.S. financial and insurance markets and economy, thus harming leasing demand for and the value of the properties. It is not possible to predict the severity of the effect that such future events would have on the U.S. financial and insurance markets and economy or the properties. These events may have a negative effect on the business and performance results of one or more of acquired or subsequently acquired properties, including by raising insurance premiums and deductibles and limiting available insurance coverage for the properties.

Possible Environmental Liabilities. Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real property may be liable for the costs of removal or remediation of hazardous or toxic substances on, under or in such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefore as to any property are generally not limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner. Persons who arrange for the disposal or treatment of hazardous or toxic substances may also be liable for the costs of removal or remediation of hazardous substances at the disposal or treatment facility whether or not such facility is, or ever was, owned or operated by such person. Certain environmental laws and common law principles could be used to impose liability for release of and exposure to hazardous substances, including asbestos-containing materials ("ACMs") and mold, into the air, and third parties may seek recovery from owners or operators of real properties for personal injury or property damage associated with exposure to released hazardous substances, including ACMs and mold. The presence of hazardous or toxic substances may adversely affect the owner's ability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on the return from such investment. As the owner of real properties, an Investment Fund or Separate Account may be potentially liable for any such costs.

Harmful Mold and Other Air Quality Issues. When excessive moisture accumulates in buildings or on building materials, mold may grow, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of the properties of an Investment Fund or Separate Account could require the Investment Fund or Separate Account to undertake a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. In addition, the presence of significant mold or other airborne contaminants could expose an Investment Fund or Separate Account to liability from its tenants, employees of its tenants, purchases of the property and others if property damage or health concerns arise. Remediation efforts and litigation relating to these contaminants (including mold and asbestos) are not covered by insurance policies obtained by an Investment Fund or Separate Account.

Americans with Disabilities Act. Under the Americans with Disabilities Act of 1990 (the “ADA”), all public accommodations and commercial facilities are required to meet certain federal requirements related to access and use by disabled persons. Existing industrial properties generally are exempt from the provisions of the ADA but may be subject to provisions requiring that buildings be made accessible to people with disabilities. Compliance with the ADA requirements could require removal of access barriers. Non-compliance with the ADA could result in imposition of fines by the U.S. government or an award of damages to private litigants. Future changes to federal, state and local laws also may require modifications to the properties of an Investment Fund or Separate Account, or restrict an Investment Fund’s or Separate Account’s ability to renovate its properties. While the amounts of such compliance costs, if any, are not currently ascertainable, they may have an adverse effect on the applicable Investment Fund or Separate Account. Generally, remediation work and lawsuits related to ADA issues are not covered by insurance policies obtained by an Investment Fund or Separate Account.

Risks Relating to Required Licenses and Authorizations. An Investment Fund or Separate Account or, if applicable, such Investment Fund’s or Separate Account’s REIT subsidiaries will be required to obtain, maintain or renew certain licenses and authorizations (including “doing business” authorizations and licenses to act as a commercial mortgage lender) from U.S. federal or state governmental authorities, government sponsored entities or similar bodies in connection with some or all of the Investment Fund’s or Separate Account’s mortgage related activities. There is no assurance that an Investment Fund or its REIT Subsidiaries will be able to obtain, maintain or renew any or all of the required licenses and authorizations or that such Investment Fund or Separate Account or its REIT Subsidiaries will avoid experiencing significant delays in connection therewith. The failure of an Investment Fund or Separate Account, or its REIT Subsidiaries to obtain, maintain or renew licenses will restrict such Investment Fund’s or Separate Account’s options and ability to engage in desired activities, and could subject the Investment Fund or Separate Account or its REIT Subsidiaries to fines, suspensions, terminations and various other adverse actions if it is determined that the Investment Fund or REIT Subsidiaries engaged without the requisite licenses or authorizations in activities that required a license or authorization, which could have a material adverse effect on the Investment Fund.

Investments in Real Estate Debt. Certain Investment Funds and Separate Accounts will invest in debt, debt investments may convert to real property investments following a foreclosure, acceptance of a deed-in-lieu, or similar process. Originating and investing in real estate related debt has unique risks. In addition to the risks of borrower default (including loss of principal and nonpayment of interest) and the risks associated with real property investments, an Investment Fund or Separate Account originating and investing in debt will be subject to a variety of risks in connection with such debt investments, including the risks of illiquidity, lack of control, mismanagement or decline in value of collateral, contested foreclosures, bankruptcy of the debtor, claims for lender liability, violations of usury laws and the imposition of common law or statutory restrictions on such Investment Fund’s or Separate Account’s exercise of contractual remedies for defaults of such investments.

Risks Related to Loans Involving a Ground Lease. A ground lease is a lease of land, usually on a long-term basis, that does not include buildings or other improvements on the land. Normally, any real property improvements made by the lessee during the term of the lease will revert to the owner at the end of the lease term. An Investment Fund or Separate Account may originate or acquire commercial mortgage loans or commercial real estate-related debt instruments secured by liens on facilities that are subject to a ground lease, and, if the ground lease were to expire or terminate unexpectedly, due to the borrower’s default on such ground lease, the Investment Fund’s or Separate Account’s interests in such loans could be materially and adversely affected.

Risks Related to Repurchase Agreement Financing. Investment Funds and Separate Accounts may use repurchase agreement financing as a strategy to increase the return on its assets. However, an Investment Fund or Separate Account may not be able to achieve its desired leverage ratio for a number of reasons, including if the following events occur: (i) lenders do not make repurchase agreement financing available to the Investment Fund or Separate Account at acceptable rates; (ii) certain lenders exit the repurchase market; (iii) an Investment Fund’s or Separate Account’s lenders require that the Investment Fund or Separate Account pledge additional

collateral to cover the Investment Fund's or Separate Account's borrowings, which the Investment Fund or Separate Account may be unable to do; or (iv) an Investment Fund or Separate Account determines that the leverage would expose it to excessive risk.

An Investment Fund's or Separate Account's ability to fund its target investments may be impacted by the Investment Fund's or Separate Account's ability to secure repurchase agreement financing on acceptable terms. No assurances can be provided that lenders will be willing or able to provide the Investment Fund or Separate Account with sufficient financing. In addition, because repurchase agreements are short-term commitments of capital, lenders may respond to market conditions making it more difficult for the Investment Fund or Separate Account to secure continued financing. During certain periods of the credit cycle, lenders may curtail their willingness to provide financing. This may require an Investment Fund or Separate Account to liquidate collateral to satisfy funding requirements. In addition, if major market participants were to exit the repurchase agreement financing business, the value of the Investment Fund's or Separate Account's portfolio could be negatively impacted. Furthermore, if many of an Investment Fund's or Separate Account's current or potential lenders are unwilling or unable to provide the Investment Fund or Separate Account with repurchase agreement financing, the Investment Fund or Separate Account could be forced to sell its investments at an inopportune time when prices are depressed. In addition, if the regulatory capital requirements imposed on the Investment Funds' or Separate Accounts' lenders change, they may be required to significantly increase the cost of the financing that they provide to the Investment Fund or Separate Account. The Investment Funds' or Separate Accounts' lenders also may revise their eligibility requirements for the types of assets they are willing to finance or the terms of such financings, based on, among other factors, the regulatory environment and their management of perceived risk, particularly with respect to assignee liability.

Risks Related to Repurchase Transaction Defaults. When an Investment Fund or Separate Account engages in repurchase transactions, the Investment Fund or Separate Account generally will sell loans to lenders (repurchase agreement counterparties) and receive cash from these lenders. The lenders will be obligated to resell the loans to the Investment Fund or Separate Account at the end of the term of the transaction. Because the cash the Investment Fund or Separate Account receives from the lenders when the Investment Fund or Separate Account initially sells the loans to the lenders is less than the value of those loans (this difference is the haircut), if the lender defaults on its obligation to resell the same loans back to the Investment Fund or Separate Account, the Investment Fund or Separate Account may incur a loss on the transaction equal to the amount of the haircut (assuming there was no change in the value of the loans).

Further, if an Investment Fund or Separate Account defaults on an obligation under a repurchase transaction, the lender can terminate the transaction and cease entering into any other repurchase transactions with the Investment Fund or Separate Account. Some repurchase agreements may contain cross-default provisions, so that if a default occurs under any one agreement, the lenders under other agreements could also declare a default. Any losses an Investment Fund or Separate Account incurs on its repurchase transactions could adversely affect the Investment Fund's or Separate Account's earnings.

Risks Related to Mezzanine Loan Investments. An Investment Fund or Separate Account may invest in mezzanine debt which has significant leverage ranking junior to other debt. While the Advisers anticipate that any such investments will usually benefit from the same or similar financial and other covenants as those enjoyed by the leverage ranking ahead of the Investment Fund's or Separate Account's investments and will usually benefit from cross-default provisions, some or all of such terms may not be part of particular investments. The Advisers anticipate that an Investment Fund's or Separate Account's usual security for its mezzanine investments will be pledges of ownership interests, directly and/or indirectly, in a property-owning entity, and in some cases an Investment Fund or Separate Account may not have a mortgage or other direct security interest in the underlying real estate assets. Moreover, it is likely that such Investment Fund or Separate Account will be restricted in the exercise of its rights in respect of its mezzanine investments by the terms of subordination agreements between it and the debt or other securities ranking ahead of the mezzanine capital. Accordingly, the Investment Fund or Separate Account may not be able to take the steps necessary to protect its mezzanine investments in a timely manner or at all and there can be no assurance its rate of return objectives or any particular investment will be achieved. To protect its original investment and to gain greater control over the underlying assets, an Investment



Fund or Separate Account may need to elect to purchase the interest of a senior creditor or take an equity interest in the underlying assets, which may require additional investment by the Investment Fund or Separate Account.

The IRS has provided a safe harbor but not rules of substantive law regarding mezzanine loans. Pursuant to the safe harbor, if a mezzanine loan meets certain requirements, it will be treated by the IRS as a real estate asset for purposes of the REIT asset tests, and interest derived from the mezzanine loan will be treated as qualifying mortgage interest for purposes of the REIT 75% income test. Certain of the mezzanine loans the Investment Funds may invest in may not meet all of the requirements of this safe harbor. In the event a REIT Subsidiary owns a mezzanine loan that does not meet the safe harbor, the IRS could challenge such loan's treatment as a real estate asset for purposes of the REIT asset and income tests and, if such a challenge were sustained, such REIT Subsidiary could fail to qualify as a REIT.

Risks Related to Subordinated Capital. The Advisers intend that some Investment Funds and Separate Accounts will invest in assets that are risky and suitable only for sophisticated investors. Subordinated debt, including preferred equity, may be subject to greater credit risks than investment alternatives. Real estate debt investments have special inherent risks relative to collateral value. Such Investment Funds and Separate Accounts will be subject to risk of borrower default, risk of loss from casualty or condemnation and risks generally associated with real estate investment. Certain Investment Funds and Separate Accounts generally will originate or acquire loans that are non-recourse to the borrower. In the event of default, such Investment Fund's or Separate Account's source of repayment will be limited to the value of the collateral and may be subordinate to other lienholders. Accordingly, the Investment Fund or Separate Account may not be able to take the steps necessary to protect its investments in a timely manner or at all and there can be no assurance that the rate of return objectives of the Investment Fund or Separate Account or any particular investment will be achieved. The collateral value of the property may be less than the outstanding amount of the Investment Fund's or Separate Account's investment. In cases in which the Investment Fund's or Separate Account's collateral consists of partnership or similar interests, the Investment Fund's or Separate Account's rights and level of security will be less than if it held a mortgage loan. To protect its original investment and to gain greater control over the underlying assets, the Investment Fund or Separate Account may need to elect to purchase the interest of a senior creditor or take an equity interest in the underlying assets, which may require additional investment by the Investment Fund or Separate Account.

Controlling Person Liability. If the Investment Fund or Separate Account is required to foreclose on its security to protect its investment, the Investment Fund or Separate Account may have controlling interests in such security. The exercise of control over an entity can impose additional risks of liability for environmental damage, failure to supervise management, violation of government regulations (including securities laws) or other types of liability in which the limited liability characteristic of business ownership may be ignored. If these liabilities were to arise, the Investment Fund or Separate Account might suffer a significant loss.

Risks Related to Securitization. Certain Investment Funds and Separate Accounts may engage in securitization of its assets. The securitization of assets, if any, would be cross-collateralized. In each case, the Investment Fund or Separate Account may lose more than 100% of its equity invested in any investment. In addition, securitization of assets could generate UBTI for certain tax-exempt investors.

Usury Limitations. Interest charged on loans owned by the Investment Fund or Separate Account may be subject to state and foreign usury laws imposing maximum interest rates and penalties for violation, including restitution of excess interest and unenforceability of debt.

Creditor Risks. Investments generally are subject to various creditor risks, including (i) the possible invalidation of an investment transaction as a "fraudulent conveyance" under the relevant creditors' rights laws, (ii) so-called lender liability claims by the issuer of the obligations and (iii) environmental liabilities that may arise with respect to collateral securing the obligations. Additionally, adverse credit events with respect to any underlying company or property, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership or distressed exchange, can significantly diminish the value of an investment in any such company or property. In



this case, the risk of loss of principal in the investment will be exacerbated.

Lack of Operating Control of Underlying Investments. The day-to-day operations of the real estate companies and properties underlying the debt investments of some Investment Funds and Separate Accounts will be the responsibility of the owners and developers of such companies and properties. Although the Advisers will be responsible for monitoring the performance of each investment and intends to finance underlying real estate companies and properties that are operated by strong management, there can be no assurance that the owners and developers will be able to operate the underlying companies or properties in accordance with their business plans or the expectations of such Investment Fund or Separate Account.

Risk Related to Mortgage-Backed and Credit Risk Transfer Securities and Loans. Mortgage-backed securities ("MBS") are secured by mortgage loans (primarily single commercial mortgage loans or a pool of commercial mortgage loans ("CMBS")). The Investment Funds' or Separate Accounts' MBS are subject to all the risks of the respective underlying mortgage loans, including risks of defaults, foreclosure timeline extension, fraud, price depreciation and unfavorable modification of loan principal amount, interest rate and amortization of principal. Commercial mortgage loans are secured by multifamily or commercial property and are subject to risks of delinquency and foreclosure, and risks of loss that may be greater than similar risks associated with loans made on the security of single-family residential property. The ability of a borrower to repay a loan secured by an income-producing property typically is dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower's ability to repay the loan may be impaired. The net operating income of an income-producing property can be affected by a number of factors over which the Advisers have no control. In the event of any default under a mortgage loan held directly by an Investment Fund or Separate Account, such Investment Fund or Separate Account bears a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the mortgage loan, which could have a material adverse effect on the Investment Fund's or Separate Account's cash flow from operations. In the event of defaults on the mortgage loans that underlie the Investment Fund's or Separate Account's investments and the exhaustion of any underlying or any additional credit support, the Investment Fund or Separate Account may not realize its anticipated return on its investments and may incur a loss on these investments.

Risks Related to the Mortgage and Commercial Real Estate Markets. Certain Investment Funds' or Separate Accounts' results are likely to be materially affected by conditions in the mortgage market and commercial real estate market, the financial markets and the economy generally. Concerns about the mortgage market and real estate market, as well as inflation, energy costs, geopolitical issues and the availability and cost of credit, contribute to market volatility. Any deterioration of the real estate market may cause such Investment Fund or Separate Account to experience losses related to their respective assets and to sell assets at a loss. Declines in the market values of CMBS that some Investment Funds or Separate Accounts invest in may adversely affect such Investment Funds' or Separate Accounts' results and credit availability, which may reduce earnings and, in turn, cash available for distribution to investors.

Risks Related to Distressed Assets. Investment Funds or Separate Accounts may make investments that become non-performing or otherwise troubled. These investments may experience financial difficulties that may never be overcome. Investments in properties operating under the close supervision of a mortgage lender or under certain bankruptcy laws are, in certain circumstances, subject to certain additional potential liabilities, which may exceed the value of the original investments. In addition, lenders who have inappropriately exercised control over the management and policies of a debtor may have their claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to an Investment Fund or Separate Account and distributions by the Investment Fund or Separate Account to its investors may be required to be returned if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. Finally, the Investment Fund or Separate Account may become the owner of a property that is the subject of a mortgage if the Investment Fund or Separate Account forecloses on its collateral.

Possible Lack of Diversification. While the Advisers plan to actively manage diversification, an Investment Fund

or Separate Account may, at certain times, participate in a limited number of investments and, as a consequence, the portfolio may be substantially affected by the unfavorable performance of even a single investment. There is no assurance as to the degree of diversification that will actually be achieved in a given portfolio, either by geographic region, asset size, or asset type. If an Investment Fund or Separate Account client makes an investment in a single transaction with the intent of refinancing or selling a portion of the investment, there is a risk that such transactions may not be successful, and therefore could lead to increased risk as a result of an unintended long-term investment and reduced diversification.

Nonperforming Loans; Foreclosure Process. Real estate loans may be at the time of their origination or acquisition, or may become, nonperforming. Such loans may require a substantial amount of workout negotiations and/or restructuring, which may entail a reduction in the interest rate or a write-down of the principal of such loan. Even if a restructuring were successfully accomplished, a risk exists that replacement "takeout" financing will not be available, and as a result foreclosure may be necessary. The foreclosure process can be lengthy and expensive.

Risks Related to Prepayment by Borrowers. Certain Investment Funds' or Separate Accounts' business includes originating floating rate mortgage loans secured by commercial real estate assets. Generally, such Investment Funds' or Separate Accounts' mortgage loan borrowers may repay their loans prior to their stated maturities. In periods of declining interest rates and/or credit spreads, prepayment rates on loans generally increase. If general interest rates or credit spreads decline at the same time, the proceeds of such prepayments received during such periods may not be reinvested for some period of time or may be reinvested by the Investment Fund or Separate Account in comparable assets yielding less than the yields on the assets that were prepaid. Because an Investment Fund's or Separate Account's mortgage loans generally will not be originated or acquired at a premium to par value, prepayment rates will not materially affect the value of such loan assets. However, the value of certain other assets may be affected by prepayment rates. For example, if and when the Investment Fund or Separate Account acquires fixed rate CMBS investments or other fixed rate mortgage-related securities, or a pool of such fixed rate mortgage-related securities, it is anticipated that the mortgage loans underlying these fixed rate securities will prepay at a projected rate generating an expected yield. If an Investment Fund or Separate Account were to purchase these securities at a premium to par value, when borrowers prepay the mortgage loans underlying these securities faster than expected, the increase in corresponding prepayments on these securities will likely reduce the expected yield. Conversely, if the Investment Fund or Separate Account were to purchase these securities at a discount to par value, when borrowers prepay the mortgage loans underlying these securities slower than expected, the decrease in corresponding prepayments on these securities will likely decrease the expected yield. In addition, if the Investment Fund or Separate Account were to purchase these securities at a discount to par value, when borrowers prepay the mortgage loans underlying these securities faster than expected, the increase in corresponding prepayments on these securities will likely increase the expected yield.

Prepayment rates on floating rate and fixed rate loans may differ in different interest rate environments, and may be affected by a number of factors, including, but not limited to, the availability of mortgage credit, the relative economic vitality of the area in which the related properties are located, the servicing of the loans, possible changes in tax laws, other opportunities for investment, and other economic, social, geographic, demographic and legal factors, all of which are beyond the Advisers' control, and structural factors such as call protection. Consequently, such prepayment rates cannot be predicted with certainty and no strategy can completely insulate Investment Funds or Separate Accounts from prepayment risk.

Risks Related to Investments in Non-Investment Grade Rated Investments. Certain Investment Funds' or Separate Accounts' investments may not conform to conventional loan standards applied by traditional lenders and either will not be rated (as is often the case for private loans) or will be rated as non-investment grade by the rating agencies. As a result, these investments should be expected to have an increased risk of default and loss than investment-grade rated assets. Any loss incurred may be significant and may materially and adversely affect the Investment Fund or Separate Account.

Risks Related to Downgrading of Credit Facilities. Some Investment Funds' or Separate Accounts' investments

may be rated by rating agencies. Any credit ratings on an Investment Funds' or Separate Accounts' investments are subject to ongoing evaluation by credit rating agencies, and there can be no assurance that any such ratings will not be downgraded or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant. If rating agencies assign a lower-than expected rating or reduce or withdraw, or indicate that they may reduce or withdraw, their ratings of such Investment Fund's investments in the future, the value and liquidity of such Investment Fund's investments could significantly decline, which would adversely affect the value of the Investment Fund's or Separate Account's investment portfolio and could result in losses upon disposition or the failure of borrowers to satisfy their debt service obligations to the Investment Fund or Separate Account.

Potential Restrictive Covenants. An Investment Fund may enter into one or more credit facilities with one or more lenders in order to finance the acquisition of its 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 an Investment Fund to: (i) acquire or dispose of assets or businesses; (ii) incur additional indebtedness; (iii) make capital expenditures; (iv) make cash distributions; (v) create liens on assets; (vi) enter into leases, investments or acquisitions; (vii) engage in mergers or consolidations; (viii) make capital calls to the Limited Partners; or (ix) engage in certain transactions with affiliates, and otherwise restrict corporate activities of the Investment Fund (including its ability to acquire additional investments, businesses or assets, certain changes of control and asset sale transactions) without the consent of the lenders. In addition, such a credit facility would likely require the Investment 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. An Investment Fund may incur indebtedness under such credit facilities that bears interest at a variable rate. Economic conditions could result in higher interest rates, which could increase debt service requirements on variable rate debt and could reduce the amount of cash available for various corporate purposes.

Risk of Default or Insolvency by Investments. The leveraged capital structure of the real estate companies and properties underlying certain Investment Funds' or Separate Accounts' investments will increase their exposure to adverse economic factors (such as rising interest rates, competitive pressures, downturns in the economy or deterioration in the condition of the real estate company or property) and to the risk of unforeseen events. This leverage may result in more serious adverse consequences to such underlying real estate companies or properties (including to overall profitability or solvency) in the event these factors or events occur than the consequences for less leveraged entities or properties. For example, rising interest rates may significantly increase interest expense, or a significant market downturn may affect ability to generate positive cash flow, in either case causing an inability to service outstanding debt, which may include the debt investments held by an Investment Fund or Separate Account. If an underlying real estate company or property cannot generate adequate cash flow to meet debt obligations, it may default on its loan agreements or be forced into bankruptcy. As a result, an Investment Fund or Separate Account may suffer a loss of invested capital, particularly in light of the leveraged position of the Investment Fund's or Separate Account's investments.

Tax Reform Risks. In 2017, a broad-based reform of the Internal Revenue Code of 1986, as amended (the "Code") was signed into law (the "Tax Act"). Despite proposed and in some cases finalized regulations on certain aspects of these laws, there are significant uncertainties regarding the interpretation and application of the Tax Act. While additional guidance on the Tax Act is expected, the timing, scope and content of such guidance are not known. Changes to the Code made by the Tax Act and any further changes in tax laws or interpretation of such laws may be adverse to Investment Funds and their limited partners. In addition, although not free from doubt, the Tax Act subjects gains in respect of entitlements to carried interest and gains on the sales of profits interests in certain partnerships realized in taxable years beginning after December 31, 2017 to higher rates of U.S. federal income tax than under prior law in certain circumstances. These changes could cause the Advisers' investment professionals to incur a material increase in their tax liability with respect to their entitlement to carried interest. This might make it more difficult for the Advisers to incentivize, attract and retain these professionals, which may have an adverse effect on the Advisers' ability to achieve the investment objectives of Investment Funds or Separate Accounts. In addition, this can create a conflict of interest as the tax position of the Advisers may differ from the tax positions of the Investment Funds, Separate Accounts

and/or the investors and therefore, these rules may have an additional impact on the investment decisions made by the Investment Funds or Separate Accounts, including with respect to decisions on the timing and structure of dispositions and whether to pursue other realization events during the holding period of an investment such as non-liquidating distributions. For example, the Tax Act gives the Advisers an incentive to cause an Investment Fund or Separate Account to hold an investment for longer than 3 years in order to obtain lower tax rates on carried interest gains even if there are attractive realization opportunities earlier than 3 years.

Cybersecurity Risk. The Advisers, the clients' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the clients and investors in the Investment Funds and Separate Accounts, despite the efforts of the Advisers and such service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the clients and investors in the Investment Funds and Separate Accounts. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems, the clients' service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Advisers' systems by unauthorized third parties to disclose sensitive information in order to gain access to the Advisers' data or that of Separate Account clients or the Investment Funds' investors. A successful penetration or circumvention of the security of the Advisers' systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause clients, the Advisers or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. In addition, the Advisers may incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, adverse investor reaction or litigation.

Environmental, Social and Governance Matters. While environmental, social or governance ("ESG") is only one of the many factors the Advisers may consider in making an investment, there is no guarantee that the Advisers will successfully implement and make investments that creates positive ESG impact while enhancing value and achieving financial returns. ESG initiatives may not achieve the desired financial and social results, or the market or society may not view any such changes as desirable. Successful engagement efforts on the part of the Advisers will depend on the Advisers' skill in properly identifying and analyzing material ESG and other factors and their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful. Considering ESG qualities when evaluating an investment may result in the selection or exclusion of certain investments based on the Advisers' view of certain ESG-related and other factors, carries the risk that the Advisers may underperform funds that do not take ESG-related factors into account because the market may ultimately have a different view of a particular company's performance than that anticipated by the Advisers.

Consideration of ESG factors may affect the Advisers' exposure to certain regions, countries or types of investments, which could negatively impact the Adviser's performance depending on whether such investments are in or out of favor. Applying impact investing goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by the Advisers or any judgment exercised by the Advisers will reflect the beliefs or values of any particular investor. In evaluating an investment, the Advisers are dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause the Advisers to incorrectly assess an investment's ESG characteristics and/or related risks and opportunities. ESG-related practices differ by region, industry, and issue and are evolving accordingly, and the Advisers' assessment of such practices may change over time.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and the Advisers' adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a

growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. The Advisers' ESG policies could become subject to additional regulation in the future, and the Adviser cannot guarantee that its current approach will meet future regulatory requirements.

Possibility of Fraud and Other Misconduct of Employees and Service Providers. Misconduct by employees of the Advisers, service providers to the Advisers or the Investment Funds or Separate Accounts and/or their respective affiliates could cause significant losses to such Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Investment Funds or Separate Accounts, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such Investment Funds or Separate Accounts and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such Investment Funds or Separate Accounts. The Advisers have controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that the Advisers will be able to identify or prevent such misconduct.

Third-Party Involvement. An Investment Fund's investments may be made as a co-venturer or partner with the seller of the property, an affiliate of the seller, an investor in an Investment Fund or other third parties. Such investments may involve risks not present in investments in which a third party is not involved, including the possibility that: (i) the Investment Fund and such co-venturer may reach an impasse on a major decision that requires the approval of both parties; (ii) a co-venture or partner of the Investment Fund may at any time have economic or business interests or goals that are inconsistent with those of the Investment 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 Investment 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 Investment Fund may be liable for actions of its co-venturers or partners. In addition, the Investment Fund may rely upon the abilities and management expertise of a co-venturer or partner. It may also be more difficult for the Investment 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. The Investment Fund may grant co-venturers or partners joint approval rights with respect to major decisions concerning the management and disposition of the investment, which would increase the risk of deadlocks. A deadlock could delay the execution of the business plan for the investment or require the Investment Fund to engage in a buy-sell of the venture with the co-venturer or partner or conduct the forced sale of such investment. As a result of these risks, the Investment Fund may not be able to fully realize its expected return on any such investment.

Expansion of CFIUS Jurisdiction. The Foreign Investment Risk Review Modernization Act (FIRRMA) expands the jurisdiction and powers of the Committee on Foreign Investment in the United States (CFIUS), the U.S. interagency committee that conducts national security reviews of foreign investment. FIRRMA authorizes CFIUS to review transactions that include the purchase or lease by, or a concession to, a foreign person of certain real estate in close proximity to air or maritime ports, military installations, or other sensitive national security facilities. Accordingly, certain investments by the Investment Funds or Separate Accounts that include non-U.S. investors could be subject to CFIUS jurisdiction. Depending on the investment and the participation of non-U.S. investors, an Investment Fund or Separate Account could decide to file a voluntary notice to secure CFIUS approval before closing, which could delay the time period between signing and closing. If the Investment Fund or Separate Account elects not to make a filing, there is a risk that CFIUS could initiate its own review if an investment is in close proximity to a particularly sensitive location. If an investment raises significant national security concerns, CFIUS has the authority to impose mitigation conditions or recommend that the President block a transaction.

Exit from European Union. The UK left the European Union ("EU") on 31 January 2020 (commonly referred to as "Brexit"). During an 11 month transition period, the UK and the EU agreed to a Trade and Cooperation



Agreement which sets out the agreement for certain parts of the future relationship between the EU and the UK from 1 January 2021. The Trade and Cooperation Agreement does not provide the UK with the same level of rights or access to all goods and services in the EU as the UK previously maintained as a member of the EU and during the transition period. In particular the Trade and Cooperation Agreement does not include an agreement on financial services which is yet to be agreed. Accordingly, uncertainty remains in certain areas as to the future relationship between the UK and the EU.

From 1 January 2021, EU laws ceased to apply in the UK. However, many EU laws have been transposed into English law and these transposed laws will continue to apply until such time that they are repealed, replaced or amended. Depending on the terms of any future agreement between the EU and the UK on financial services, substantial amendments to English law may occur, and it is impossible to predict the consequences on the Investment Fund or Separate Account and their respective investments. Such changes could be materially detrimental to investors. The uncertainty caused by the UK's departure from the EU could lead to prolonged political, legal, regulatory, tax and economic uncertainty and wider instability and volatility in the financial markets of the UK and more broadly across Europe. It may also lead to weakening corporate and financial confidence in such markets as the UK renegotiates the regulation of the provision of financial services within and to persons in the EU. Brexit could lead to market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management due in part to redenomination of financial assets and liabilities, an adverse effect on the ability of Advisers and their affiliates to manage, operate and invest and increased legal, regulatory or compliance burden for the Advisers and its affiliates, each of which may have a negative impact on the operations, financial condition, returns or prospects of each Investment Fund or Separate Account.

Coronavirus Outbreak Risks. The ongoing global outbreak of the 2019 novel coronavirus ("COVID-19"), together with resulting voluntary and U.S. federal and state and non-U.S. governmental actions, including, without limitation, mandatory business closures, vaccine mandates, public gathering limitations, restrictions on travel and quarantines, has meaningfully disrupted the global economy and markets. The global impact of COVID-19 has been evolving over the course of the pandemic and, at different points of time has, and may continue to have ongoing material adverse effects across many, if not all, aspects of the regional, national and global economy. Furthermore, the Adviser's ability to operate effectively could be impaired by COVID-19. For example, the spread of COVID-19 among the Adviser's personnel and its service providers could significantly affect the Adviser's ability to properly oversee the affairs of the Investment Funds (particularly to the extent such impacted personnel include key investment professionals or other members of senior management). The full effects, duration and costs of the COVID-19 pandemic remain impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve.

LIBOR Replacement and Other Reference Rates Risk. Payment obligations, financing terms and investments in many financial instruments (including debt securities and derivatives) may be tied to floating rates, such as the London Interbank Offered Rate ("LIBOR"). In 2017, the UK Financial Conduct Authority ("FCA") announced its intention to cease compelling banks to provide the quotations needed to sustain LIBOR after 2021. ICE Benchmark Administration, the administrator of LIBOR, ceased publication of most LIBOR settings on a representative basis at the end of 2021 and is expected to cease publication of a majority of U.S. dollar LIBOR settings on a representative basis after June 30, 2023. In addition, global regulators have announced that, with limited exceptions, no new LIBOR-based contracts should be entered into after 2021. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies (e.g., the Secured Overnight Financing Rate for U.S. dollar LIBOR and the Sterling Overnight Interbank Average Rate for GBP LIBOR). Various financial industry groups have been planning for the transition away from LIBOR and markets are developing in response to these new rates, but questions around the liquidity of the new rates and how to appropriately adjust these rates to eliminate any economic value transfer at the time of transition remain a significant concern. It is difficult to predict the full impact of the transition away from LIBOR on the Funds. The transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that rely on LIBOR. The transition may also result in a reduction in the value of certain LIBOR-based investments held by the Investment Funds or reduce the effectiveness of related transactions such as hedges. Any such effects of the transition away from LIBOR, as well as other unforeseen effects, could result in

losses for the Investment Funds. Since the usefulness of LIBOR as a benchmark could also deteriorate during the transition period, effects could occur at any time. The Adviser is unlikely to be in a position to make individualized determinations regarding replacement benchmark rates based on the particular impact to each affected Fund investment.

Climate Change. The Investment Funds may acquire investments that are located in, or have operations in, areas that are subject to climate change. Any investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Investment Funds' and Separate Accounts' business and operations. Physical impacts of climate change may include increased storm intensity and severity of weather (e.g., floods or hurricanes), sea level rise, fires, and extreme and changing temperatures. As a result of these impacts from climate-related events, the Investment Funds and Separate Accounts may be vulnerable to the following: risks of property damage to their investments; indirect financial and operational impacts from disruptions to the operations of their investments from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for both investments and the products and services of the Investment Funds' and Separate Accounts' investments; increased insurance claims and liabilities; increase in energy costs impacting operational returns; changes in the availability or quality of water, food or other natural resources on which the Investment Funds' and Separate Accounts' business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.

Russian Invasion of Ukraine. On February 21, 2022, Russian President Vladimir Putin ordered the Russian military to invade two regions in eastern Ukraine (the Donetsk People's Republic and Luhansk People's Republic regions). The following day, the United States, United Kingdom and European Union announced sanctions against Russia. On February 24, 2022, President Putin commenced a full-scale invasion of Russia's pre-positioned forces into Ukraine, including Russia's forces pre-positioned in Belarus. In response, the United States, United Kingdom, and European Union imposed further sanctions designed to target the Russian financial system, and thereafter a number of countries have banned Russian planes from their airspace. Further sanctions may be forthcoming, and the U.S. and allied countries have recently announced they are committed to taking steps to prevent certain Russian banks from accessing international payment systems. Russia's invasion of Ukraine, the resulting displacement of persons both within Ukraine and to neighboring countries and the increasing international sanctions could have a negative impact on the economy and business activity globally, and therefore could adversely affect the performance of the Adviser's investments. Furthermore, given the ongoing and evolving nature of the conflict between the two nations and its ongoing escalation (such as Russia's recent decision to place its nuclear forces on high alert and the possibility of significant cyberwarfare against military and civilian targets globally), it is difficult to predict the conflict's ultimate impact on global economic and market conditions, and, as a result, the situation presents material uncertainty and risk with respect to the Adviser and the performance of their investments or operations, and the ability of the Adviser to achieve their investment objectives.

Custody and Banking Risks. The Investment Funds maintain funds with one or more banks or other depository institutions ("banking institutions"), which may include US and non-US banking institutions, and may enter into credit facilities or have other financial relationships with banking institutions. The distress, impairment or failure of one or more banking institutions with whom the Investment Funds, their Investments, the general partner and/or the Adviser transact may inhibit the ability of the Investment Funds or their Investments to access depository accounts or lines of credit at all or in a timely manner. In such cases, the Investments Funds may be forced to delay or forgo investments or to call capital when it is not desirable to do so, resulting in lower performance for the Investment Funds. In the event of such a failure of a banking institution where the Investment Fund or one or more of its Investments holds depository accounts access to such accounts could be



restricted and U.S. Federal Deposit Insurance Corporation (FDIC) protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to banking institutions in other jurisdictions not subject to FDIC protection). In such instances, the Investment Funds and their affected Investments may not recover such excess, uninsured amounts and instead, would only have an unsecured claim against the banking institution and participate pro rata with other unsecured creditors in the residual value of the banking institution's assets. The loss of amounts maintained with a banking institution or the inability to access such amounts for a period of time, even if ultimately recovered, could be materially adverse to the Investment Funds or their Investments. One or more investors or an Investment Fund's general partner could also be similarly affected and unable to fund capital calls, further delaying or deferring new investments. In addition, an Investment Fund's general partner may not be able to identify all potential solvency or stress concerns with respect to a banking institution or to transfer assets from one bank to another in a timely manner in the event a banking institution comes under stress or fails.

## 9. Disciplinary Information

The Advisers have not been subject to any legal or disciplinary events which require disclosure under this item. Likewise, the Advisers' personnel have not been subject to any legal or disciplinary events which require disclosure under this Item.

## 10. Other Financial Industry Activities and Affiliations

### CBRE Group

As noted above, each of the Advisers are indirect, wholly owned subsidiaries of CBRE. CBRE is a leading diversified commercial real estate services firm, with operating divisions or subsidiaries in commercial real estate brokerage, mortgage banking, appraisal, property management, outsourcing, development services, investment management, due diligence, marketing, workspace strategy, sustainability, fund, portfolio, and property accounting, reporting, and administration.

### Affiliations Generally

The Advisers are affiliated with several types of entities, including but not limited to:

- Broker-dealer
- Investment adviser
- Real estate broker
- Appraiser
- General partners
- Loan servicers
- Fund and property accounting, reporting, and administration

Many of these affiliations are not material to our advisory business or our clients. Significant affiliations are identified in our Form ADV Part 1.

### Broker-Dealer

A small number of employees are also registered representatives of a FINRA-registered affiliated broker-dealer, CBRE Capital Advisors, Inc., and market limited partnership and similar interests in Investment Funds sponsored by CBRE Investment Management. See Item 14 for additional information regarding CBRE Capital Advisors.

### Investment Advisers

The following advisers are registered with the SEC (either directly or as a Relying Adviser) and are covered by the disclosures in this brochure:

- CBRE Investment Management, LLC

- CBRE Global Value Investors, LLC
- CB Richard Ellis Investors SP Asia LLC
- CBRE Global Investors WCM Management, LLC
- CBRE Global Investors Headway GP, LLC
- CBRE Investment Management Berkman, LLC

Additionally, the Advisers are affiliated with investment advisers within the Investment Management division as part of the global offering, and some of these advisers are separately registered with the SEC or are exempt reporting advisers. Further, some of these advisers are registered in their local jurisdiction. These advisers are disclosed in Form ADV Part 1.

#### Real Estate Related Service Providers

On behalf of clients, the Advisers often engage affiliates for:

- sales and acquisition brokerage;
- property, project and construction management;
- leasing;
- debt financing;
- due diligence;
- development;
- marketing;
- workspace strategy;
- sustainability;
- fund, portfolio, and property accounting, reporting, administration, and performance;
- axis portal;
- loan servicing; and
- consulting and other services from time to time.

We believe that the affiliation with CBRE and access to the CBRE platform is a benefit that our clients expect. However, having multiple affiliates that are in the real estate services business gives rise to a conflict of interest if the Advisers have the discretion to select, or are responsible for recommending to a client, service providers that are affiliates. See Items 5 and 11 for additional information regarding the use of affiliated service providers.

#### General Partners and Related Entities

The Advisers form affiliates to act as the general partner, adviser, manager or similar role for particular Investment Funds or Separate Accounts.

#### Potential Conflicts

For a description of certain conflicts of interest created by the relationships among the Advisers and the parties described above, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

### CODE OF ETHICS

The Advisers have adopted a written Code of Ethics (the “Code”) in its Investment Management Policies and Procedures, to comply with its obligations as a registered investment adviser with the SEC. The Investment Management Policies and Procedures is applicable to and is made available to all employees. Among other things, the Investment Management Policies and Procedures requires the Advisers and their employees to act in clients’ best interests and abide by all applicable regulations, and it prohibits insider trading. All employees are required to make annual certifications certifying that they are in compliance with the Investment

Management Policies and Procedures. Clients and prospective clients may review a copy of the Code by contacting the Advisers at the address or telephone number listed on the first page of this document.

Pursuant to the Code, certain supervised persons are considered “access persons” and required to (1) report personal securities transactions on a periodic basis, (2) provide a detailed summary of certain holdings and securities accounts (both initially upon commencement of employment and periodically thereafter) over which such employees have a direct or indirect beneficial interest, and (3) pre-clear acquisitions of securities in IPOs or private placements. From time to time, securities of certain public companies are placed on a “restricted list” with such supervised persons being restricted from trading in such securities without pre-clearance from the Compliance Department.

## PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

The Advisers solicit investments from existing clients and investors in new investment vehicles it sponsors. The decision whether or not to invest is made by the client/investor or an independent fiduciary or consultant of the client/investor.

In order to further align our interests with those of investors in our Investment Funds, the Advisers (or their affiliates, principals, officers or employees and any affiliates, principals, officers or employees of their affiliates (together, Adviser Personnel)) typically invest in Investment Funds alongside investors in amounts up to a cap (for example, 2% of the Investment Fund's aggregate Capital Commitments, excluding the general partner and its affiliates), and subject to a dollar cap. We may also invest alongside Separate Accounts. An Investment Fund or its general partner (or analogous party) may reduce all or a portion of the management fee and performance fee payable with respect to investments made by the Advisers (or their affiliates, principals or employees).

The Advisers and Adviser Personnel from time to time buy or sell securities or other instruments that we have recommended to clients. In addition, Adviser Personnel also buy securities in other investment vehicles (including private equity funds, venture capital funds, hedge funds, real estate funds and other similar investment vehicles) which may include potential competitors of clients, and/or which may invest in similar industries and sectors as the Investment Funds or Separate Accounts. Such personnel have a conflict of interest with respect to their personal investment holdings. There could be situations in which such investment vehicle purchases securities from or sells securities to an Investment Fund or Separate Account. Such transactions are subject to the Advisers' Investment Management Policies and Procedures (which contains the Code). The investment policies, fee arrangements and other circumstances of these investments may vary from those of clients. In the event Adviser Personnel make an investment with the intent to source future investments for the Investment Funds, there is a greater likelihood that the Investment Funds will make the same investments in which Adviser Personnel hold an interest as described above. If Adviser Personnel have made large capital investments in or alongside clients, they could have conflicting interests with respect to these investments, including an incentive to cause an Investment Fund or Separate Account to act in a manner that benefits such other investment vehicles and, indirectly themselves as investors in such investment funds.

Please see Item 6 – Performance-Based Fees and Side-by-Side Management for additional information regarding our receipt of performance-based fees. Compensation of our senior management, and principal fund managers, is based in part on our success in receiving these fees.

Irrespective of the foregoing, the Advisers believe that they have a strong incentive to achieve maximum risk-adjusted returns to investors over the long term/life of the Investment Fund or Separate Account.

## CONFLICTS OF INTEREST

The Advisers and the general partners of the Investment Funds and their affiliates will encounter potential conflicts of interest in connection with the activities of the Investment Funds and Separate Accounts. The below discussion enumerates certain actual and potential conflicts of interest that should be carefully evaluated before making an investment in an Investment Fund or initiating a Separate Account relationship.

## MANAGEMENT OF CLIENTS

The Advisers advise a number of clients that have investment objectives similar to each other. The Advisers may in the future establish one or more additional Investment Funds, or advise additional Separate Accounts, with investment objectives substantially similar to, or different from, those of current clients. Allocation of available investment opportunities between the clients and any such other clients could give rise to conflicts of interest. See Item 6 above for information regarding the Advisers' allocation practices. In particular, conflicts of interest arise with respect to allocation of investment opportunities where an Adviser or its affiliates hold varying interests in Investment Funds and Separate Accounts. For example, it is expected that an Adviser will advise an Investment Fund in which such Adviser or its affiliates is the sole or a substantial investor, and the investment objectives of such Investment Fund are expected to overlap with those of other Investment Funds or Separate Accounts. The existence of such arrangements creates a conflict of interest because the Advisers have an incentive to allocate promising opportunities to such Investment Fund in which the Adviser or its affiliate holds a substantial interest.

An Adviser may give advice or take actions with respect to the investments of one or more Investment Funds that may not be given or taken with respect to other Investment Funds with similar investment programs, objectives or strategies. As a result, Investment Funds with similar strategies may not hold the same securities or achieve the same performance. In addition, an Investment Fund may not be able to invest through the same investment vehicles, or have access to similar credit or utilize similar investment strategies as another Investment Fund. These differences may result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

In addition, it is expected that employees of the Advisers responsible for managing a particular client will have responsibilities with respect to other clients managed by the Advisers, including future clients. Conflicts of interest may arise in allocating time, services or functions of these officers and employees.

The Advisers will, from time to time, consider, and reject an investment opportunity on behalf of an Investment Fund or Separate Account and, the Advisers or an affiliate of the Advisers may subsequently determine to have another Investment Fund or Separate Account make an investment in the same opportunity. A conflict of interest arises because one Investment Fund or Separate Account will, in such circumstances, benefit from the initial evaluation, investigation and due diligence undertaken by the Advisers on behalf of the original Investment Fund or Separate Account considering the investment. In such circumstances, the benefitting client or clients will not be required to reimburse the original client for expenses incurred in connection with researching such investment.

In addition, the Adviser receives and generates various kinds of investment data and other information, including related to or created in connection with financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors, ESG and other metrics, financial information, commercial and transactional information, user data, cost data and related data or information, some of which is sometimes referred to as "big data." This information may, in certain instances, include confidential and/or sensitive information received or generated in connection with efforts on behalf of one Investment Fund's investment (or prospective investment) in an investment. As a result, the Advisers are better able to anticipate macroeconomic and other trends and financial opportunities, enhance and improve operations of investments and otherwise develop investment strategies or identify specific investment or business opportunities. The Advisers also intend to utilize such data for purposes of identifying new investment opportunities for the Investment Funds and Separate Accounts. Information from an investment owned by an Investment Fund or Separate Account may enable the Advisers to better understand a particular industry and develop and execute investment strategies in reliance on that understanding for the Advisers and other Investment Funds and Separate Accounts that do not own an interest in such investment, without compensation or benefit to such Investment Fund or Separate Account. Further, data is expected to be aggregated across the Investment Funds and Separate Accounts and, in connection therewith, the Advisers are expected to serve as the repository for such data, including with ownership, use and distribution rights therein. The Advisers may also share data from one Investment Fund or

Separate Account with an other Investment Fund or Separate Account, which may increase a competitive disadvantage for, and indirectly harm, such Investment Fund or Separate Account. Investment Funds and Separate Accounts may incur incremental expenses in collecting and organizing information requested or required to be furnished to the Advisers (which expenses are indirectly borne by such Investment Funds or Separate Accounts). The Advisers have in the past entered into and information sharing and confidentiality arrangements that may limit the internal distribution and use of such data. The Advisers have already used and is likely in the future in certain instances to use this information in a manner that may provide a material benefit to the Advisers, its affiliates, or to certain other Investment Funds without compensating or otherwise benefitting the Investment Fund or Investment Funds from which such information was obtained. In addition, the Advisers may have an incentive to pursue investments based on the data and information expected to be received or generated. Furthermore, except for (a) contractual obligations to third parties to maintain confidentiality of certain information or otherwise limit the scope and purpose of its distribution, (b) policies, practices and procedures designed to ensure confidentiality of trade secrets and (c) compliance with applicable data privacy laws, laws prohibiting insider trading, anti-competition laws and laws protecting national security interests, the Advisers are generally free to use data and information from an Investment Fund's activities in its sole discretion for the benefit of the Advisers and other Investment Funds and Separate Accounts. The sharing and use of "big data" and other information present potential conflicts of interest and any benefits received by the Advisers or their personnel will not be subject to the management fee offset provisions or otherwise shared with an Investment Fund or its investors. The Advisers have in the past utilized and is likely in the future to utilize such information to benefit the Advisers, their Affiliates and/or certain Investment Funds in a manner that may otherwise present a conflict of interest resulting from the particular facts and circumstances, but does not intend to specifically disclose such conflicts to the relevant Investment Funds and Separate Accounts.

The Advisers and their affiliates from time to time also enter into formal or informal arrangements with portfolio investments to facilitate the sharing of data and/or data analytics. Subject to applicable legal, regulatory and contractual requirements, these information sharing arrangements are designed to allow the Advisers, the Investment Funds and the Investment Funds' and Separate Accounts' investments to better discern economic or other trends and developments. The Advisers believes that all Investment Funds and Separate Accounts benefit from these arrangements in ways that would be impossible without the ability to aggregate data from across the Advisers' businesses and the Investment Funds' and Separate Accounts' investments. However, information sharing may involve conflicts of interest between the Investment Funds/Separate Accounts and/or between the Investment Funds/Separate Accounts and the Advisers. For example, data analytics based on inputs from one investment may inform business decisions by other portfolio investments, or investment decisions by the Advisers and its affiliates, without the source of the data being directly compensated. It is difficult, if not impossible, to measure exactly the benefits any particular entity receives from these kinds of arrangements, or to provide specific and direct monetary compensation for such information. Therefore, the Advisers and their affiliates may utilize such data outside of Investment Fund and Separate Account activities in a manner that may provide a material benefit to the Advisers, without directly compensating or otherwise benefitting the Investment Funds or Separate Accounts. As a result, the Advisers may have an incentive to pursue investments (on its own behalf or on behalf of the Investment Funds) based on the data that may be accessible as a result of owning such investments, and/or to utilize such data in a manner that benefits the Advisers and/or investments held by other Investment Funds or Separate Accounts.

## FEE STRUCTURE

Because certain Transaction Fees are based upon the purchase price or sales price of an asset, the Advisers' fee structure, as described in Item 5, creates an incentive to defer the realization of an asset, invest capital in an asset or sell an asset when an Adviser may not otherwise have done so for another client or in situations which may not be in the best interest of the client.

Because certain fees are based upon the fair market value of assets under management or the net operating income generated by a portfolio, such fees may increase over time due to market appreciation, increases in rent or other reasons, irrespective of the amount of work an Adviser has done with the asset. For other fees that are based on invested capital, the fee structure creates an incentive to deploy capital when an Adviser

may not otherwise have done so and it may receive the same level of fees even if the fair market value of the assets have otherwise declined, there is a drop in tenant occupancy or income from the property or other adverse conditions on the property.

When estimating fair market value, the Advisers will apply a methodology based on its judgment, in light of the nature, facts and circumstance of the investments. Such appraisals are (i) inherently subjective in certain respects and rely on a variety of assumptions, including assumptions about projected cash flows for the remaining holding periods for the client's investments, and (ii) based in large part on information at the time of the appraisal, and market, property and other conditions may change materially after that date. Furthermore, real estate and certain real estate related assets generally cannot be marked to an established market or readily tradable assets. The exercise of discretion in valuing investments gives rise to conflicts of interest, as higher valuations would result in increased compensation to one or more of the Advisers.

As discussed above in Item 6, the Advisers are entitled to performance-based compensation under the terms of the Advisory Agreements of certain clients. The existence of the performance-based compensation creates an incentive for the Advisers to cause such clients to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

Pursuant to the Advisory Agreements, the general partner (or analogous party) may be required to return excess amounts of carried interest to the Investment Fund via a "clawback". A clawback obligation creates an incentive for the general partner (or analogous party) to defer disposition of one or more investments or delay the liquidation of an Investment Fund if a more immediate disposition and/or liquidation would result in a realized loss to the Investment Fund or would otherwise result in a clawback situation for the general partner (or analogous party). Conversely, this clawback obligation creates an incentive for the general partner (or analogous party) to accelerate disposition of one or more investments or the liquidation of an Investment Fund if this would enable the general partner (or analogous party) to receive a carried interest and avoid a clawback obligation even if delaying the disposition or liquidation (and holding the underlying assets for longer) may realize a greater return for the Investment Fund and its underlying investors. In addition, the Advisers are incentivized to hold on to investments that have poor prospective for improvement in order to receive ongoing management fees in the interim and, potentially, a more likely or larger carried interest distribution if such asset's value appreciates in the future. This incentive is increased by the presence of the clawback obligation discussed above.

## FUND LEVEL BORROWING

The Investment Funds from time-to-time borrow funds or enter into other financing arrangements for various reasons, including to pay fund expenses, to pay management fees, organizational expenses, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from investors), to make payments under hedging transactions, to cover any shortfall resulting from an investor's default or exclusion. If an Investment Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all limited partners in such Investment Fund on a pro-rata basis, including the general partner. The Investment Funds may also utilize subscription facilities to benefit co-investment parties. For example, an Investment Fund may borrow to fund a co-investment party's pro rata share of an investment or expense related to an investment. While the Advisers expect that all parties participating in an investment (including the general partner and any co-investment party) will bear its pro rata share of the interest expenses but not necessarily origination and other costs allocable to the extension of credit, the Investment Fund will bear a disproportionate amount of the credit risk in incurring the debt on behalf of the other parties. Certain parties participating in an investment (including the general partner and any co-investment party and/or joint venture partner) may not bear their pro rata share of expenses relating to the subscription facility used for making an investment (including, without limitation, interest expenses, origination and other costs). As a result, the Fund may bear a disproportionate cost in connection with the extension of credit. In addition, because co-investment parties and the general partner are not expected to be parties to the subscription facility, the Fund will bear a disproportionate amount of the credit risk in incurring the debt on behalf of the other parties.

To the extent an Investment Fund uses borrowed funds in advance or in lieu of capital contributions, the Investment Fund's investors generally make correspondingly later capital contributions, but the Investment Fund will bear the expense of interest on such borrowed funds. As a result, the Investment Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and generally make net IRR calculations higher than it otherwise would be without fund-level borrowing as these calculations generally depend on the amount and timing of capital contributions. It is expected that the interest will accrue on any such outstanding borrowings at a lower rate than any preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the relevant Investment Fund. While the Investment Fund will bear the expense of borrowed funds, such borrowings can also increase the carried interest received by the Investment Fund's general partner by decreasing the amount of distributions from the Investment Fund that are required to be made to investors in satisfaction of any preferred return or will result in an Investment Fund's general partner receiving carried interest earlier than it otherwise would have. The Investment Fund's general partner therefore has a conflict of interest in deciding whether to borrow funds because the general partner may receive disproportionate benefits from such borrowings. Furthermore, the use of fund-level borrowing for investment purposes may be treated as investment capital for purposes of calculating the relevant Investment Fund's management fee. Therefore, investors may pay management fees on borrowed amounts used to fund an investment even though such amounts would not accrue a preferred return as described above.

In addition, the batching of capital calls may amplify the magnitude of potential defaults by investors as a result of there being fewer but larger capital calls. To the extent a subscription facility is due upon demand by a lender (such as upon an event of default or otherwise), such a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of such liquidity constraints and/or investors facing similar capital calls in multiple funds and being unable to satisfy all such demands simultaneously. Moreover, the existence of a subscription facility may impair an investor's ability to transfer its interest in an Investment Fund as a result of restrictions imposed on such transfers by the lender.

Borrowing by the Investment Fund (as opposed to borrowing at the property level) may be in the form of unsecured credit facilities or "subscription-line facilities" which will generally be secured by capital commitments made by the limited partners to the Investment Fund and/or by the Investment Fund's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the investors may be subordinated to such Investment Fund-level borrowing and the lender may have the right to call capital from investors to pay down the borrowings in place of the Investment Fund general partner. Moreover, tax-exempt investors should note that the use of borrowings by the Investment Fund may cause the realization of UBTI.

From time to time, an Investment Fund procures borrowing through a subscription line or credit facility in order to make an investment, syndicating out a portion of the investment to another party. Subject to the Advisory Agreements, the borrowing Investment Fund will bear the entire cost of interest from the borrowing, even though the investment may ultimately be made by the other applicable parties.

The Investment Funds or Separate Accounts from time to time enter into borrowing arrangements that require the Investment Funds and/or Separate Accounts to be jointly and severally liable for the obligations. If one Investment Fund or Separate Account defaults on such arrangement, the other Investment Funds or Separate Accounts may be held responsible for the defaulted amount.

The use of fund-level borrowings will differ based on available credit facility capacity and contractual terms applicable to each Investment Fund and Separate Account and each such credit facility. Therefore, as the subscription credit facilities utilized by the Investment Funds may have different terms, while the Investment Funds and Separate Accounts may be invested in the same investment, and while the valuation of such investment would be consistently determined pursuant to the relevant organizational documents, the



investment return can, in certain circumstances, differ among the Investment Funds and Separate Accounts as a result.

### BROKERAGE, MANAGEMENT AND ADVISORY RELATIONSHIPS

As part of its regular business, the Advisers and their affiliates provide a broad range of brokerage, management and advisory services. In addition, the Advisers and their affiliates may provide services in the future beyond those currently provided. In the regular course of its brokerage, management and advisory businesses, the Advisers and their affiliates represent potential purchasers, sellers and other involved parties with respect to assets that may be suitable for investment by an Investment Fund. In certain seller assignments, a seller may permit an Investment Fund to act as a buyer, which would raise certain conflicts of interest inherent in such a situation.

### AFFILIATED SERVICE PROVIDERS

As referenced above in Item 5, the Advisers retain affiliates, which receive fees and expense reimbursements from the applicable client or property, as applicable. Such fees and reimbursements are in addition to any management fee or performance-based compensation received by the Advisers, will be retained by such affiliates, and will not reduce any management fees or other amounts payable by the Investment Funds or Separate Accounts.

Advisory Agreements and other client governing documents contain guidance and/or restrictions on the use of affiliated service providers. For example, some Separate Account clients have the right to review and approve fees paid to affiliates and/or the proposed written agreements with affiliates, or require that the fees be confirmed by quotes or bids. With respect to Investment Fund clients, the use of affiliated service providers is generally disclosed in the offering document and the independent advisory board of the Investment Fund (described below under "Side Letter Agreements") typically reviews the rates and fees charged by affiliates.

The Advisers endeavor to engage the best service providers in an applicable market (whether affiliates or unaffiliated third parties) with the most competitive fees and rates. Except as otherwise disclosed, engagement rates and terms when hiring CBRE or its affiliates for services provided to a client or property will generally be no less favorable than: (i) those of a comparably qualified unaffiliated third party in an agreement negotiated on an arms-length basis in the applicable market and/or (ii) those of similarly situated clients for comparable transactions and services in the applicable market.

A representative of such affiliate shall confirm that the fee rates are no greater than the applicable affiliate would charge an unaffiliated third party and/or similarly situated clients for similar quality services in each case within the applicable market (metropolitan area) for arrangements and properties of similar scale at the time such services are to be provided. Further, the Advisers in certain cases will engage accounting firms to conduct an independent market survey of certain (but not all) services provided by CBRE in an effort to assess and report on the market fees charged by other institutional quality service providers for comparable services provided to comparable properties in relevant markets. Employee salaries and other costs and expenses of affiliates will be reimbursed by the Investment Fund or Separate Account in accordance with the applicable Advisory Agreement and/or the applicable service provider agreements.

In limited situations, the Advisers are provided access to off-market deals through CBRE or another broker for a fee to be paid by either the buyer or the seller; given that these opportunities are off-market, they do not have readily available market rates for comparison. The compensation for these opportunities will be determined on a case-by-case basis and with a view toward a good faith market comparable rate.

Further, the Advisers will generally provide notice to the Advisory Board of an Investment Fund of any new services agreement paying a fee to an affiliate which is entered into by the Investment Fund with any affiliate after the date of the last meeting, such notice will generally summarize the fees payable to affiliates. The periodic financial reports provided to Investment Funds and, if required for the Separate Account, generally disclose payments made to affiliates for the applicable period, usually under a "Related Party Transaction" or similar footnote.

The use of affiliates of the Advisers in connection with the retention of services raises potential conflicts of interest in that there will be an incentive for the Advisers to favor affiliates over more qualified service providers and/or to agree to pay fees that are higher than the fees charged for comparable services. Investment Fund limited partners will not receive the benefit of fees, expenses, costs or other compensation received by the Advisers and their affiliates in connection with the provision of services by them to the Investment Funds or third parties.

Affiliates of the Advisers are from time to time retained by the Investment Funds and Separate Accounts to provide services, including, but not limited to: property acquisition, financing and sale brokerage, leasing brokerage, property management, mortgage banking and other services. Other services include but are not limited to, services provided to, or with respect to, the Investment Fund or Separate Account, or an investment property, and, include services provided by the Advisers and its affiliates. Such services shall be reimbursed by the Investment Fund, Separate Account, or investment asset, as appropriate, and include those provided for or related to property and asset management, construction management, development, brokerage (whether for sales, acquisitions, leasing, mortgage banking, debt origination or otherwise), sustainability, workplace strategy, marketing, business development, training, due diligence, environmental, entitlement and zoning, appraisal, janitorial, security, engineering and landscaping, debt-related services, hedging services, custodial and depository services, the Investment Fund's or Separate Account's investments and entity (including REITs) related matters (including for licensing, qualification, maintenance, reporting, auditing and filing services), audits, tax preparation, filing and appeal services and other tax related services, regulatory and structuring (legal, tax, accounting or otherwise) related services, reporting, accounting, administration and benchmarking licensing the activities of the Investment Fund within and outside the United States, including for AIFMD purposes (which refers to the European Union "Alternative Investment Fund Managers Directive"), and other services provided by any service providers. Marketing, branding and related services will be provided by affiliated personnel. Such services may also supplement or be performed alongside services performed by the Adviser.

Each Investment Fund's general partner generally retains a property manager for each property (other than multi-family properties), which is often CBRE, an affiliate of the Advisers. The property manager receives a property management fee, which is in addition to the applicable asset management fee, portfolio management fee, and the carried interest received by an Investment Fund's manager and general partner, respectively. The property manager typically operates on-site at the applicable property or at other properties within a portfolio or market to handle property management operations and maintenance and interact with tenants and visitors on a day-to-day basis. In addition to the property management fee, a property manager is generally reimbursed for certain out-of-pocket expenses. In addition, the compensation (including, without limitation, salary, bonus, payroll taxes and benefits), overhead (including, without limitation, rent, property taxes and utilities allocable to the workspaces) and travel related expenses of employees of the property manager, including CBRE when it is the property manager, that are dedicated to a particular property or provides services to particular properties are reimbursed to the property manager. The compensation (including, without limitation, salary, bonus, payroll taxes and benefits), overhead (including, without limitation, rent, property taxes and utilities allocable to the workspaces) and travel expenses of certain other employees of CBRE that are not dedicated to a particular property or properties and are located at the Advisers' offices to provide marketing, branding and related services are also reimbursed to CBRE unless otherwise disclosed to the advisory board. Expenses of the property manager, including the above expenses, are referred to herein as "property management expenses." While in certain cases a small portion of the property management expenses may be directly reimbursed by tenants of the applicable property, subject to the terms of agreements with such tenants, the property management expenses are otherwise reimbursed by the relevant Investment Fund or the Investment Fund's assets.

The Investment Funds also often hire the Advisers' affiliated real estate brokerage company in connection with, amongst other services, the acquiring, financing, leasing, debt origination and disposing of properties. Such real estate brokerage fees are borne by the relevant Investment Fund. In addition, the compensation (including, without limitation, salary, bonus, payroll taxes and benefits), overhead (including, without limitation, rent,

property taxes and utilities allocable to the workspaces) and travel related expenses of employees of the affiliated real estate broker that provides services to the Investment Fund or applicable property are reimbursed to the affiliated real estate broker by the Investment Fund or applicable property. Any such fees, expenses, costs or other compensation will not reduce the management fees or other amounts payable by the Investment Funds or Separate Accounts.

The Advisers are affiliated with Investment Accounting & Reporting Solutions (IA&R), which provides investment administration services (including, but not limited to, accounting and reporting services). IA&R was formed in 2015 through the transition of CBRE Investment Management's fund accounting and investment reporting personnel and is now part of CBRE's Asset Services, separate from CBRE Investment Management. IA&R offers fund and portfolio accounting; property-level accounting oversight; reporting, administration and transfer agency; investor and other financial reporting; performance measurement; data aggregation; treasury, cash and debt management; and tax and regulatory support services. CBRE Investment Management has entered (and the property managers for Fund assets, including CBRE, are authorized to enter) into a services agreement with CBRE for IA&R to provide certain services, including to Investment Funds, their investors, and Separate Accounts. IA&R's fees and expenses will be charged to the Investment Fund, the Separate Account client, the properties owned by such funds and accounts and/or passed through to certain tenants in such properties. In certain cases, IA&R's fees and expenses will be incurred by a CBRE or other property manager and/or charged through to the underlying property or to certain tenants in the underlying property. In addition, the compensation (including, without limitation, salary, bonus, payroll taxes and benefits), overhead (including, without limitation, rent, property taxes and utilities allocable to the workspaces) and travel related expenses of employees of IA&R that provides services to the Investment Fund, Separate Account or applicable property are reimbursed to IA&R by the Investment Fund, Separate Account or applicable property. Any fees, expenses, costs or other compensation paid by an Investment Fund, Separate Account client, property or tenant to IA&R will not reduce the management fees or other amounts payable by the Investment Funds or Separate Accounts.

A wholly-owned subsidiary of CBRE became the largest stakeholder in Industrious National Management Company LLC, a flexible workspace provider (the "Flex-Office Provider"). The Flex-Office Provider offers flexible office space solutions to companies of all sizes. The Flex-Office Provider is separate from CBRE and CBRE Investment Management, and while CBRE maintains two representatives on the Flex-Office Provider's board of directors, CBRE does not maintain a controlling share in the Flex-Office Provider. Accordingly, CBRE does not consider the Flex-Office Provider to be an Affiliate of CBRE, CBRE Investment Management or the Investment Funds or Separate Accounts. The Investment Funds and Separate Accounts may be authorized to transact with the Flex-Office Provider. Such transaction may take the form of a lease whereby the Flex-Office Provider is the tenant and/or a management agreement, in each case where the Flex-Office Provider operates the flexible office space facility. The rent paid by the Flex-Office Provider to the Investment Funds or Separate Accounts may be based on a percentage of net profits or gross revenues from the flexible office space. The Flex-Office Provider may also receive a management fee. Any such amounts paid by an Investment Funds or Separate Account to the Flex-Office Provider will not reduce the management fees or other amounts payable by the Investment Funds or Separate Accounts.

Altus Power America, Inc. ("Altus Power") is a solar energy company that trades on the New York Stock Exchange. CBRE holds a minority interest in Altus Power with the right to nominate a director on Altus Power's board, and becomes eligible to receive a profits interest in the form of additional equity in Altus Power in the future contingent upon the growth of Altus Power's value. The Advisers may engage Altus Power in connection with power-related services for Investment Fund or Separate Account assets, including the installation of solar panels. CBRE has no control or managerial authority over Altus Power's operations or commercial activities, and any negotiations between Altus Power and any Investment Fund or Separate Account will be conducted at arms-length without regard to any such minority interest CBRE may have in Altus Power. Furthermore, under the Advisers' policies, employees of the Advisers are required to act in the best interests of the Funds and Separate Accounts and are not permitted to take into account any potential benefit to CBRE in determining whether to procure services from Altus Power. The Investment Funds and Separate Accounts are not required to use Altus Power and may use other vendors in connection with power-related services. Altus Power is not an "Affiliate" of the Advisers, and accordingly, when engaging Altus Power in connection with power-related

services for Investment Fund or Separate Account assets, the Advisers will not be required to satisfy any requirements set forth in the governing documents of the Investment Fund or Separate Accounts that would apply to engaging Affiliate service providers. There is no affiliation between Altus Power and Altus Group, the entity which provides valuation services to the Advisers for certain Investment Funds.

VTs is a privately held commercial real estate property technology company. CBRE holds a minority interest in VTs as well as a seat on its board of directors. The Advisers have engaged VTs to provide certain software solutions to commercial real estate holdings of Investment Funds or Separate Accounts. CBRE has no control or managerial authority over VTs's operations or commercial activities, and any negotiations between VTs and any Investment Fund or Separate Account will be conducted at arms-length without regard to any such minority interest CBRE may have in VTs. Furthermore, under the Advisers' policies, employees of the Advisers are required to act in the best interests of the Funds and Separate Accounts and are not permitted to take into account any potential benefit to CBRE in determining whether to procure services from VTs. VTs is not an "Affiliate" of the Advisers, and accordingly, when engaging VTs in connection with software-related services for Investment Fund or Separate Account assets, the Advisers will not be required to satisfy any requirements set forth in the governing documents of the Investment Fund or Separate Accounts that would apply to engaging Affiliate service providers.

The Investment Funds and certain Separate Accounts are also authorized to enter into an agreement with CBRE, or one of its affiliates, to use its proprietary IT operating platform, Host, to better connect tenants to the property manager, and the services and amenities available at a property, including through the use of a mobile app. The Investment Funds (and the property managers for real estate assets, including CBRE) are authorized to enter into agreements with CBRE to provide Host to tenants of real estate assets, and the fees (including a one-time implementation fee for each property and recurring fees) for usage of the Host platform in connection with such agreements will be charged to the Investment Fund or Separate Account, properties, and where permitted, to tenants in properties. The fees paid by an Investment Fund or Separate Account, its properties and tenants will not reduce the management fees or other amounts payable by the Investment Funds or Separate Accounts.

The Advisers are also affiliated with Trammell Crow Company ("TCC"), a real estate development company. The Advisers have a Development Partnership Program with TCC, as described under Item 6 Performance Based Fees and Side-by-Side Management, and the Advisers expect that most, if not all, development opportunities for certain Investment Funds and/or Separate Account mandates will be available through TCC. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that: (i) the Advisers and TCC may reach an impasse on a major decision that requires the approval of both parties; (ii) TCC may at any time have economic or business interests or goals that are inconsistent with those of the Advisers' clients; (iii) TCC may encounter liquidity or insolvency issues or may become bankrupt; (iv) TCC may be in a position to take action contrary to a client's investment objective; (v) TCC may take actions that subject the property to liabilities in excess of, or other than, those contemplated; (vi) in certain circumstances a client may be liable for actions of TCC; or (vii) the Advisers may elect to terminate their relationship with TCC or TCC may elect to terminate its relationship with the Advisers. Further, TCC may also be in competition with the Advisers' clients in connection with the acquisition, development, sale or operation of properties.

The Investment Funds and Separate Account clients may rely upon the abilities and management expertise of TCC or other development partners. It may also be more difficult for an Investment Fund or Separate Account to sell its interest in any partnership or entity with other owners than to sell its interest in other types of investments. The Investment Funds and Separate Accounts may from time to time grant a development partner, including TCC, approval rights with respect to major decisions concerning the management and disposition of the investment, which would increase the risk of deadlocks. A deadlock could delay the execution of the business plan for the investment or require an Investment Fund or Separate Account to engage in a buy-sell of the venture with a development partner or conduct the forced sale of such investment. As a result of these risks, an Investment Fund or Separate Account may not be able to fully realize its expected return on any such investment. Any compensation received by TCC will not reduce the management fees or other amounts payable by the Investment Funds or Separate Accounts.

TCC is an affiliate of the Advisers and investors should be aware that, as a result, the Investment Funds, Separate Accounts and TCC may face conflicts of interest with respect to such relationship. Among other conflicts, in partnerships with TCC, in the event that either the Investment Fund/Separate Account or TCC fails to fund their respective capital commitments or any amounts required to be paid under any completion guarantee, the other party has certain rights which could dilute the party that failed to fund and/or make such party's interest junior to the party providing the partner loan to the partnership.

## JOINT VENTURE PARTNERS AND SERVICE PROVIDERS

Some of the operators, joint-venture partners and service providers (which include both third parties and affiliates of an Investment Fund's general partner) with which and with whom an Investment Fund's general partner elects to invest an Investment Fund's capital may have preexisting investments and other relationships with the Adviser and its affiliates, clients and sponsored funds. In addition, the Adviser and its affiliates will have the right to receive management and other fees, bonuses and profits interests with respect to any such joint investments with these parties. To the extent a dispute arises between the Adviser and such operators, partners and service providers, an Investment Fund's investments relating thereto may be affected. Operators, joint venture partners and other service providers may charge an Investment Fund or the applicable property, leasing commissions, management fees, construction or project management fees, bonus and incentive payments, other fees and expense reimbursements. In addition, some of these operators, joint venture partners and service providers may have the right to receive a promote, incentive fee or ownership interest with respect to investments by an Investment Fund, which will be paid by the Investment Fund or the applicable property.

## ACTIVITIES OF CERTAIN AFFILIATES

Affiliates of the Advisers (including TCC) may also be in competition with the Investment Funds and Separate Accounts in connection with the acquisition, development, sale or operation of properties in which the Investment Funds and Separate Accounts could invest under some circumstances. Affiliates of the Advisers (including TCC) also perform services for other clients and real estate investment funds (e.g., pension and profit sharing trusts, corporations and partnerships) similar to the services to be performed for the Investment Funds or Separate Accounts, and the Advisers, members of the investment team and members of the Investment Committees serve similar roles with respect to these other clients and real estate investment funds. Affiliates of the Advisers (including TCC) also invest in real estate for their own accounts or for the accounts of their clients, including investing in other real estate investment funds (and such affiliates and other clients may have investment objectives and policies comparable to those of the Investment Funds or Separate Accounts and may be in competition with the Investment Funds or Separate Accounts). In addition, the Investment Funds and Separate Accounts may from time to time engage in certain transactions (only on terms, including the consideration to be paid, that are determined by the Investment Fund's general partner or the Separate Account's Adviser to be fair and reasonable to the Investment Fund or Separate Account) with affiliates of the general partner by purchasing investments from or through such affiliates.

The Advisers and TCC may face conflicts of interests in connection with the allocation of investment opportunities between the Investment Funds, Separate Accounts and other permitted real estate investment programs and funds, including where a particular investment might be suitable for one or more of them as well as the Investment Fund or Separate Account. Moreover, the Investment Funds and Separate Accounts may co-invest with other affiliated funds in investments that are suitable for the Investment Fund, Separate Account and such affiliated funds. The Advisers, TCC, their respective affiliates and their respective officers and employees may be presented with decisions when the interests of each Investment Fund or Separate Account, as the case may be, and such other affiliated funds are in conflict. In the event of such a conflict, such investment opportunities shall be allocated, and such decisions shall be made on a basis that is deemed by the relevant Investment Fund's general partner, or by the relevant Separate Account's Adviser, to be fair and reasonable.

In addition, the Advisers or their affiliates, including an Investment Fund or Separate Account or another

investment account or vehicle managed or controlled by the Advisers may hold securities, loans or other instruments of an investment held by an Investment Fund or Separate Account in a different class or a different part of the capital structure than securities, loans or other instruments of such investment held by such Investment Fund. As a result, the Advisers or such other Investment Account, Separate Account or other investment account or vehicle may pursue or enforce rights or activities, or refrain from pursuing or enforcing rights or activities, on behalf of its own account, that could have an adverse effect on the Investment Fund or Separate Account. In addition, to the extent an Adviser has invested in an investment of an Investment Fund or Separate Account for its own account, such Adviser may limit the transactions engaged in by the Investment Fund or Separate Account with respect to such investment for reputational, legal, regulatory or other reasons.

#### EXPENSE/FEE REIMBURSEMENT

Consistent with the Advisory Agreements, the Advisers and their affiliates incur expenses, and a client will from time to time reimburse them for expenses, including without limitation, travel expenses and meals and entertainment expenses (including, as applicable, closing dinners and mementos, cars and meals, social and entertainment events, and expenses relating to training programs) incurred in connection with the acquisition and disposition of Properties.

#### DIVERSE MEMBERSHIP

Investors in the Investment Funds may have conflicting investment, tax and other interests with respect to their investments in an Investment Fund. The conflicting interests among the investors may relate to or arise from, among other things, the nature of investments made by an Investment Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the Advisers or their affiliates, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for an Investment Fund, the Advisers and their affiliates will consider the investment and tax objectives of the applicable Investment Fund, not the investment, tax or other objectives of any investor individually.

#### SIDE LETTER AGREEMENTS

The Advisers from time to time enter into side letter arrangements with certain investors in Investment Funds providing such investors with different or preferential rights or terms, including but not limited to different fee structures, and other preferential economic rights, information, voting and reporting rights, excuse or exclusion rights, waiver of certain confidentiality obligations, co-investment rights, redemption, certain rights or terms necessary in light of particular legal, regulatory or policy requirements of a particular investor, modification of representations, indemnification and/or liability and other obligations, additional obligations and restrictions with respect to structuring particular investments in light of the legal and regulatory considerations applicable to a particular investor, veto rights, and liquidity or transfer rights. Also, investors will have no recourse against an Investment Fund, the applicable Investment Fund's general partner, the Advisers or their affiliates in the event that certain investors receive additional or different rights or terms pursuant to such side letters, some of which rights may impact the rights and/or increase the obligations of other investors. Except as otherwise agreed with an investor or otherwise set out in the Investment Fund's organization documents, the Advisers and their affiliates are not required to disclose the terms of side letter arrangements with other investors in the same Investment Fund. In addition, side letter arrangements with certain investors of the Investment Funds impose additional restrictions on investing in certain types of assets, geographies or industries in order to meet certain legal, tax, regulatory, internal policy or other requirements of such investors. While these restrictions are intended to apply solely to such investors, they may ultimately restrict the investments made by an applicable Investment Fund.

Generally, each Investment Fund has established an advisory board, consisting of representatives of investors. A conflict of interest exists when some, but not all investors are permitted to designate a member to the advisory board because those designating investors will, for instance, have greater information rights. The advisory board



may also have the ability to approve conflicts of interests with respect to the Advisers and the applicable Investment Fund, which could be disadvantageous to the investors, including those investors who do not designate a member to the advisory board. Representatives of the advisory board may have various business and other relationships with the Advisers and its partners, employees and affiliates. These relationships may influence the decisions made by such members of the advisory committee.

In addition, members of one Investment Fund's advisory board may also be a member of another Investment Fund's advisory board. In such instances, a conflict of interest exists because the Investment Funds on which such overlapping advisory board members may have conflicting interests and such advisory board members may be requested to provide their consent with respect to such conflicts of interest and will not recuse themselves from any such vote.

## PARTICIPATION IN REIT STRUCTURES

The employees, officers and other affiliates of an Investment Fund's general partner and other non-affiliated third parties may participate in the ownership of a REIT subsidiary of an Investment Fund in connection with the 100-shareholder test applicable to REITs under the Code. While the participation of such persons will be less than 1% of the outstanding equity of a REIT subsidiary of such Investment Fund, such participation may entitle them to receive distributions that will not be subject to the fees or to a preferred return on their investment.

## MATERIAL NON-PUBLIC INFORMATION

As a result of the extensive operations of the Adviser and its affiliates, as well as investments made by them for their own accounts, the Adviser sometimes comes into possession of confidential or material, non-public information. Disclosure of such information within the Adviser is limited to members of working groups with a need for such information only. Therefore, an Investment Fund may not have access to material, non-public information in the possession of the Adviser that might be relevant to an investment decision to be made by the Investment Fund, and the Investment Fund may initiate a transaction or sell an investment which, if such information had been known to it, may not have been undertaken. In the event any material, non-public information is disclosed to any officers or employees of an Investment Fund's general partner, any member of the investment committee or any other person responsible for the affairs of such Investment Fund may be prohibited by applicable securities laws and the internal policies of the Adviser from acting upon any such information. Due to these restrictions, an Investment Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

## OTHER POTENTIAL CONFLICTS

The Advisers and the Investment Funds' general partners are subsidiaries of CBRE. In addition, the principals and the officers of the general partners may receive grants of stock and stock options in CBRE Group from time to time. In certain situations the Advisers' and general partners' principals and officers may have a conflict of interest between acting in a manner that protects the Advisers and/or CBRE and acting in the best interests of the Investment Fund or Separate Account. The Advisers have implemented policies and procedures that are designed to address conflicts of interest and require personnel to act in a manner consistent with the Advisers' fiduciary duty to clients.

Additionally, Adviser Personnel and other, non-affiliated third parties may participate in the ownership of a REIT that is a subsidiary of an Investment Fund. While the participation of such persons will typically be only a small percentage of the outstanding equity of the REIT, such participation may entitle them to receive distributions from the REIT that will not be subject to the fees or to a preferred return on their investment.

The organizational documents of an Investment Fund establish complex arrangements among the Investment Funds, the Advisers, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the organizational documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and

may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While the Advisers will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to an Investment Fund or its investors.

Services required by an Investment Fund (including some services historically provided by Advisers or their affiliates to the Investment Funds) may, for certain reasons including efficiency and economic considerations, be outsourced in whole or in part to third parties or licensed software, in each case in the discretion of the Advisers or their affiliates. The Adviser and its affiliates have an incentive to outsource such services at the expense of the Investment Funds to, among other things, leverage the use of Adviser personnel. Such services may include, without limitation, deal sourcing, asset management, information technology, licensed software, depository, data processing, client relations, administration, custodial, marketing and marketing-reviews, accounting, valuation, legal, human resources, client services, compliance, corporate secretarial and tax support, director services and other similar services. Outsourcing may not occur universally for all Investment Funds and accordingly, certain costs may be incurred by an Investment Fund for a third-party service provider that is not incurred for comparable services by other Investment Funds. The decision by an Adviser to initially perform a service for an Investment Fund in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future and an Adviser has no obligation to inform such Investment Funds or investors of such a change. In addition, certain internal service providers (such as internal accountants) may “shadow” or otherwise review the reports of other services provided by such third parties. The costs and expenses of any such third-party service providers will be borne by the relevant Investment Funds.

From time to time, Adviser Personnel invest in funds or other entities managed by Limited Partners of an Investment Fund, which could incentivize such Adviser Personnel to afford the Limited Partner preferential or favored treatment, such as, for example, increased access to co-investment opportunities, and could create conflicts of interest to the extent such other funds compete with an Investment Fund for investment opportunities or invest in competing investments.

The Advisers and/or their affiliates may engage certain service providers to provide services to the Advisers and/or the Investment Funds, including services during the due diligence and acquisition process. Such service providers are, in certain circumstances, investors in an Investment Fund or affiliates of such investors and may include, for example, investment or commercial bankers, outside legal counsel pension consultants and/or other investors who provide services (including mezzanine and/or lending arrangements). The engagement of any such service provider may be concurrent with an investor’s admission to an Investment Fund, or during the term of such investor’s investment in the Investment Fund. This creates a conflict of interest, as the Adviser may give such investor preferred economics or other terms with respect to its investment in an Investment Fund, or may have an incentive to offer such investor co-investment opportunities or other investment opportunities that it would not otherwise offer to such investor.

The Advisers and their clients have in the past and may in the future engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent Investment Funds may also represent one or more investors in an Investment Fund. In the event of a significant dispute or divergence of interest between clients and an Adviser, the parties may engage separate counsel in the sole discretion of an Adviser, and in litigation and other circumstances separate representation may be required. Additionally, the Advisers and their clients from time to time engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Advisers or clients. This could result in the Advisers or certain of their clients receiving a more favorable rate on services provided to it by such a common service provider than those payable by other clients. This creates a conflict of interest between the Advisers, on the one hand, and clients, on the other hand, in determining whether to engage such service providers, including the possibility that the Advisers may favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the clients.

The Advisers and their personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of an Investment Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Investment Fund expenses may result in “miles” or “points” or credit in loyalty/status programs to the Adviser and/or its personnel, and such benefits, rewards and/or amounts (whether or not de minimis or difficult to value), will exclusively benefit the Advisers and/or such personnel even though the cost of the underlying service is being borne by the Investment Funds and/or their investors. Any such benefits, rewards and/or amounts will not be subject to the offset arrangements described above or otherwise shared with such Investment Funds and/or their investors. In addition, airline travel incurred as an Investment Fund expense for an Adviser personnel travelling for appropriate Fund-related purposes may benefit such Adviser personnel to the extent the trip also serves a personal purpose.

Investors may be introduced to the Advisers, or may be brought in an Investment Fund, by a third-party consultant from which the Advisers or a related person purchase products and to which the Advisers or a related person may make payments, including in connection with conferences sponsored or hosted by the third-party consultant.

The Advisers from time to time, cause one or more Investment Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Investment Funds, the applicable general partner, the Advisers and/or their respective directors, officers, employees, agents, representatives, members of the advisory committee and other indemnified parties, against liability in connection with the activities of the Investment Funds. This typically includes all premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by the Advisers that cover one or more Investment Funds and/or the Advisers (including their respective directors, officers, employees, agents, representatives, members of the advisory committee and other indemnified parties). The Advisers will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among one or more Investment Funds, and/or the Advisers on a fair and reasonable basis, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in an Investment Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

The Advisers and their affiliates have in the past and may from time to time in the future hire part-time or full-time employees (including interns) who are relatives of, or are otherwise associated with an investor, asset, or service provider. In addition, employees of the Adviser or its affiliates, and/or their family members or relatives may have ownership, employment, or other economic or other interests in certain service providers. These relationships can influence the Adviser in determining whether to select or recommend such service provider to perform services for an Investment Fund, Separate Account or an asset.

The Advisers are broad-based alternative investment platforms that may engage in strategic transactions, including the acquisition of, or combination with, other investment platforms, generally without regard to whether an Investment Fund or Separate Account would otherwise be interested in pursuing any such transaction. The governing documents of the Advisers and the Investment Funds generally do not prohibit or restrict such strategic transactions. In the event that we, any of our affiliates or any other party engages in any such transaction or otherwise engages in any actions or any other event occurs that results in an “assignment” (including for purposes of the Advisers Act) of an investment management agreement or an Investment Fund agreement (including because of any change in our control group), and as a result we or any other entity must seek the consent of the Investment Fund or Separate Account under applicable law, the Advisers and/or the general partners of the Investment Funds may not seek the consent of the limited partners or clients but may have the authority to act for the Investment Fund or Separate Account in determining whether or not to provide any required consent. Since each general partner of the Investment Funds is under common control with us and we each would likely have a financial interest in the consummation of any such transaction that is different from the interests of the Investment Fund or its limited partners, the general partner of the Investment Fund will likely have a conflict of interest in making this determination. Pursuant to the governing documents of an

Investment Fund, the general partner of the Investment Fund may be under no obligation to seek approval from the Investment Fund's limited partners as to any such consent, and the limited partners may not have the right to remove the general partner or cause such Investment Fund to terminate the advisory relationship with the applicable Adviser, transfer its interests or otherwise exit the Investment Fund, or exercise any other rights or remedies (other than those that are explicitly provided in the Fund's governing documents).

CBRE is a publicly-traded company. The Advisers are subsidiaries of CBRE, Inc., which is indirectly controlled by CBRE. The officers, directors, members, managers and personnel of CBRE and CBRE, Inc., including certain key persons, can be expected to take into account certain considerations and other factors in connection with the management of the business and affairs of the Separate Accounts, the Investment Funds and their affiliates that would not necessarily be taken into account if we were not under the control of CBRE, and certain of them have fiduciary duties to shareholders of CBRE that could conflict with their duties to the Separate Accounts or Investment Funds. For example, although CBRE believes its reputation in the marketplace will provide a benefit to the Separate Accounts and the Investment Funds, we could decline to undertake investment activity or transact with a counterparty on behalf of the Separate Accounts or the Investment Funds for reputational reasons, and these decisions could result in the Separate Accounts or the Investment Funds foregoing a profit or suffering a loss. Similarly, CBRE reserves the right to permit third-party investors to hold material direct or indirect interests in, or provide other forms of financing to, other CBRE-related vehicles, including entities we form to exercise our rights or discharge our obligations under our governing documents. This can include debt financing that is recourse to CBRE and/or its employees as well as non-recourse debt, such as a securitization structure. Such vehicles could be used to fund CBRE's capital commitments to Investment Funds, including the required minimum commitment as well as any additional commitments permitted following the end of the fundraising period. These practices could have the effect of reducing the amount of capital contributed or remaining at risk by persons responsible for operating the Separate Accounts and/or Investment Funds and lessening the alignment of interests between such persons and the investors in such Separate Accounts and/or Investment Funds.

## MAINTAINING INDUSTRY RELATIONSHIPS

In order to provide the quality of services that clients expect, we believe it is necessary for us to establish, maintain and enhance relationships with professionals in the real estate industry, such as attorneys, consultants, title companies, brokers and other service providers and professionals (collectively, "Relationship Parties"). Establishing meaningful and long-term relationships can be important factors in our ability to provide a high level of service to our clients. We, and many Relationship Parties, value important and long-standing relationships, and as such, we and our employees from time to time invite, or are invited by, Relationship Parties to participate in activities, such as sporting and networking events, concerts, golf and other outdoor outings and other recreational activities, and give or receive gifts related to attendance or participation in such activities (collectively, "Events").

The primary benefits that we and our clients receive from our sponsorship and participation in these Events is to establish and further strengthen our relationships within Relationship Parties. We believe that working to have such relationships is important to help ensure that we are provided with the opportunity to capitalize upon active sources of investment opportunities, as well as to receive critical and reliable services and information. While we believe employee sponsorship or participation in these Events is beneficial to clients for the reasons described above, our subsequent selection and retention of such Relationship Parties as service providers could be viewed as a form of reimbursement for attending such Events, and we have an incentive to select service providers based on the expectation of receiving gifts or invitations to future Events. Notwithstanding that potential conflict of interest, we recognize and acknowledge our fiduciary duty to our clients, and have adopted policies and procedures designed to help prevent any Event from influencing our decision to hire or retain a service provider or to engage in any transaction on behalf of a client. Our policies and procedures require all gifts and entertainment valued in excess of certain thresholds to be pre-approved in writing by our Compliance Department and the head of the applicable business unit.

## CO-INVESTMENT OPPORTUNITIES

The Advisers from time to time determine if the amount of an investment opportunity exceeds the amount the Adviser determines would be appropriate for the Investment Funds or Separate Accounts and any such excess may be offered to one or more co-investors or co-investment vehicles. In addition, co-investment vehicles are from time to time formed to make investments alongside an Investment Fund or Separate Account. In such cases, the co-investment vehicle will have a priority right to make co-investments in some or all of the investments to be made by such Investment Fund or Separate Account. There may be circumstances where the Advisers determine, for strategic or other reasons, the amount that could have otherwise been invested by a particular Investment Fund or Separate Account is instead allocated to one or more co-investors. The existence of such a priority right will significantly reduce or eliminate co-investment opportunities available to investors.

Subject to any co-investment allocation requirements set forth in Advisory Agreements or other specific agreements with an investor, in general, (i) no investor in an Investment Fund has a right to participate in any co-investment opportunity solely as a result of investing in an Investment Fund, (ii) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of the Adviser or its affiliates or other participants in the applicable transactions, (iii) co-investment opportunities typically will be offered to some and not other investors in the Investment Funds, in the sole discretion of the Adviser, an investor may be offered a smaller amount of co-investment opportunities than originally requested, and an investor may be offered fewer co-investment opportunities than other investors in the same Investment Fund with the same, larger, or smaller capital commitments to such Investment Fund, and (iv) certain persons other than investors in the Investment Funds (e.g., Separate Accounts, other Investment Funds, joint venture partners, service partners, employees or affiliates of the Adviser and its affiliates, or other third parties including persons who the Advisers believe will provide a benefit to an Investment Fund or Separate Account and/or one or more portfolio companies or who provide a strategic sourcing or similar benefit to the Advisers, an Investment Fund or Separate Account, and/or a portfolio company and one or more of their respective affiliates, due to industry or regulatory expertise or otherwise), rather than one or more investors in an Investment Fund, will from time to time be offered co-investment opportunities, in the sole discretion of the Adviser or its affiliates, and (v) co-investors will generally purchase their interests in an investment at the same time as the Investment Funds or will on occasion purchase their interests from the applicable Investment Funds after such Investment Funds have consummated their investment in the investment. Non-binding acknowledgments of interest in co-investment opportunities are not allocation requirements and do not require the Adviser to notify the recipients of such acknowledgments if there is a co-investment opportunity. However, the Adviser from time to time agrees to give particular investors, joint venture partners, Investment Funds, Separate Accounts, or other parties priority access to co-investment opportunities. The existence of such priority or other contractual co-investment rights could affect the Adviser's decision to offer certain opportunities for co-investment and could limit the ability of Investment Funds or their investors, or Separate Accounts, to be offered certain co-investment opportunities.

In the event the Adviser determines to offer an investment opportunity to co-investors, there can be no assurance that the Adviser will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Investment Fund or that expenses incurred by the Investment Fund with respect to the syndication of the co-investment will not be substantial, and the Investment Funds bear the risk that any or all excess portion of an investment is not sold or is sold on unattractive terms. As a consequence, the Investment Fund may bear the entire portion of any fees, costs and expenses related to such investment including, but not limited to, break-up fees and hold a larger than expected portion of such investment. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of an Investment Fund and as a result, may take a different view from the Adviser as to appropriate strategy for an investment or may be in a position to take a contrary action to an Investment Fund's investment objective. In the event that the Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Investment Fund may consequently hold a greater concentration and have exposure in the related investment

opportunity than was initially intended, which could make the Investment Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto.

Any fees and expenses incurred in connection with the organization of a co-investment vehicle (including fees and expenses related to negotiating the governing documents of such co-investment vehicle as well as fees and expenses described above) that is expected to invest alongside the Investment Funds in an investment are expected to be borne by the Investment Funds to the extent such co-investment vehicle does not ultimately make such investment, whether or not such investment is consummated by the Investment Funds.

From time to time, certain Investment Funds will incur certain ongoing expenses that benefit a co-investment vehicle or co-investor (for instance, insurance premiums). In such instances, these ongoing expenses will be borne solely by the applicable Investment Fund or Investment Funds and will not be borne by any benefiting co-investment vehicle or co-investor.

The Investment Funds from time to time, co-invest with third parties through partnerships, joint ventures or other similar entities or arrangements. These investments may involve risks that would not otherwise be present in investments where a third party is not involved. Such risks include, among other things, the possibility that the third party may have differing economic or business goals than those of the Investment Fund, or that the third party may be in a position to take actions that are inconsistent with the investment objectives of the Investment Funds. There may also be instances where the investment Funds will be liable for the actions of such third party co-investors. There can be no assurance that the return of an Investment Fund participating in a transaction with a third party would be equal to and not less than another Investment Fund or Separate Account participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

### Continuation Transactions

From time to time the Adviser may determine that it is in the best interest of an Investment Fund holding the Investment (the "selling Fund") to transact with another Investment Fund (the "purchasing Fund") in order to provide the selling Fund's investors with an option to either: (1) receive cash proceeds from the selling Fund's sale or transfer of such Investment and/or (2) "roll" (i.e., retain) their interest in such Investment. These types of transactions are often referred to as "continuation transactions." In connection with such continuation transactions, The Adviser [has in the past and is likely in the future to]/[may] require the investors in the purchasing Fund to make an additional investment in an Investment Fund or commit to invest a future Investment Fund. In addition to those conflicts of interest described above under "Cross Transactions", conflicts of interest arise in these continuation transactions because (i) the Adviser and its affiliates are charging investors in the purchasing Fund an Advisory Fee and Carried Interest (which economics are likely to be different than the selling Fund) and the transactions have the potential to result in the receipt of additional Advisory Fees and Carried Interest by the Adviser and its affiliates; (iii) the Adviser and Adviser Personnel are expected to have the ability to make material investments in the purchasing Fund, which may cause them to take actions that benefits the purchasing Fund; (iv) the Adviser is actively involved in negotiating the terms of the sale on behalf of the selling Fund, on the one hand, and the purchasing Fund, on the other hand (including allocation of expenses incurred in the transaction); and/or (v) because of the requirement for an investor in the purchasing Fund to make an investment in an Investment Fund or a commitment to invest in a future Investment Fund, which (a) incentivizes the Adviser to favor such investors because of the potential for the Adviser and its affiliates to earn additional Advisory Fee with respect to any such investment or commitment to invest, and (b) could affect the price such investors offer to purchase the asset from the selling Fund. Additionally, conflicts of interest arise in continuation transactions as a result of the allocation of fees and expenses, because fees and expenses will be incurred in connection with the transaction, and the Adviser might determine to allocate bankers' fees and certain other fees and expenses solely to selling investors and not to the "rolling investors" or "new investors" in the purchasing Fund or vice versa.

To the extent not addressed in a Fund's Organizational Documents, the Adviser will address conflicts of interest that arise in connection with continuation transactions as set forth above under "Cross Transactions."



## 12. Brokerage Practices

On behalf of clients, the Advisers engage service providers as described in Item 5 above. The Advisers may have the discretion (under the applicable Advisory Agreements) to hire these service providers, including real estate or other brokers and to determine the commissions paid to those brokers. Because the Advisers are affiliated with a real estate brokerage company, limitations are sometimes imposed on their ability to hire affiliated brokerage companies. For some Separate Account clients, the relevant Advisory Agreements allow the client to review and approve fees paid to affiliated brokers. Commissions and other fees are not affected by the research used in the investment process. See also Item 11 for an additional discussion of our selection of affiliates as service providers for client transactions.

In engaging brokers and service providers, the Advisers' investment teams seek to select the best service provider at a competitive fee structure. The team considers a number of selection criteria when deciding on the hiring of a broker or other service provider, including, but not limited to: recent experience in the local market and property type, both user and investor; depth and breadth of regional and national experience; team knowledge and capabilities; conflicts of interest; prior experience with the team and/or company; pricing analysis and recommendations; fee proposal; and preferences from counterparty (whether it is a seller, lender or joint venture party). Upon completion of the broker selection process, the team leader or the responsible asset manager will select a qualified broker and will execute an agreement (e.g. listing agreement). In assessing "best execution" with respect to selection of any broker, best execution is not limited solely to the consideration of the best available commission rate.

## 13. Review of Accounts

The Advisers are investment managers of real estate and real estate related investments on behalf of clients. In that capacity, the Advisers are involved on a day to day basis in directly managing real estate related assets of its clients. No particular factor triggers review of assets. Each client portfolio is assigned to one or more portfolio manager(s) who are involved in supervising the management of the portfolio. In effect, the account is continuously under review.

See Item 8 for a further description of our Investment Committees, which review certain investment decisions.

For certain Separate Accounts and Investment Funds, the Advisers provide quarterly reports to clients or investors, as applicable, which include a quarterly summary of financial information about investments owned by the client. Annually, investors in Investment Funds and most Separate Account clients and receive a detailed financial statement together with such other information as is reasonably necessary in the judgment of the Advisers to advise Separate Account clients and investors in Investment Funds regarding the results of related operations. Annual statements are generally audited by a nationally recognized accounting firm.

## 14. Client Referrals and Other Compensation

The Advisers' affiliated broker-dealer, CBRE Capital Advisors, provides marketing services for certain of the Investment Funds and supervises certain personnel of the Advisers that are also registered representatives of CBRE Capital Advisors. For these services, CBRE Capital Advisors receives a fixed fee from the Advisers that is not contingent on subscriptions or investments made by investors in the Investment Funds. The Investment Funds are not assessed any fee and do not pay the expenses of CBRE Capital Advisors in connection with these activities. Other than CBRE Capital Advisors, the Advisers do not utilize the services of any third-party marketer or placement agent to market its Investment Funds or Separate Accounts. The Advisers have occasionally utilized such services in the past when marketing Investment Funds. In each instance, the third-party placement agent was compensated by the applicable Adviser or affiliate, and neither the investors nor the Investment

Funds paid any fees. In addition, property managers, including affiliates, are typically able to use office space at properties without paying rent.

The Advisers have referral arrangements with other advisers within the CBRE Investment Management business line that provides for referrals to and from the Advisers in exchange for a referral fee, often based on the assets comprising the mandate.

Please see Item 11 for information on certain additional conflicts of interest that arise when selecting and retaining certain Relationship Parties as service providers for clients.

## 15. Custody

In order to comply with Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), we have procedures requiring that all Investment Funds are audited by a third-party accounting firm no less frequently than annually and send the audited financial statements to all investors within 120 days of each Investment Fund's fiscal year end, or alternatively undergo an annual surprise examination described under section (a)(4) of the Custody Rule.

Separate Account clients and investors (or an independent representative of such investors) in any Investment Fund with respect to when the Adviser undergoes an annual surprise examination as noted above generally receive account statements from their or the Investment Fund's custodian on at least a quarterly basis. Separate Account clients and such Investment Fund investors (or an independent representative of such investors) should carefully review the quarterly account statements they receive from these unaffiliated custodians. We also urge clients and such Investment Fund investors (or an independent representative of such investors) to compare the statements received from their custodians with the statements they receive from us. Statements that we provide clients may vary from the statements received from custodians due to differences in the timing on posting transactions, accounting procedures, or other reasons. In order to comply with SEC regulations, either an annual audit is performed or an independent verification of funds and securities is conducted by a third-party accounting firm.

## 16. Investment Discretion

An Investment Fund or a Separate Account for which we have discretionary authority over investment acquisitions, financing and dispositions, directly or indirectly, is referred to as a "Discretionary Fund" or a "Discretionary Account". Our Investment Funds are discretionary. In the United States, our Separate Accounts are primarily non-discretionary, but in some instances we provide officers for, or have discretionary authority over, the client's investment entity or certain discretion over the Separate Account's investment activities.

As described in more detail under Item 5 above, with some limitations, the Advisers generally have investment discretion, under the Advisory Agreements, to hire service providers. Because the Advisers are affiliated with a large real estate services provider, limitations are imposed on their ability to select affiliates. As noted in Item 11 above, some Advisory Agreements permit the advisory board of an Investment Fund or a Separate Account client to review or approve fees paid to affiliated brokers, property managers and other service providers.

For clients that have granted discretionary authority to an Adviser, this authority is typically assumed through a power of attorney or contract provision granted or entered into by a Separate Account client, or through the constituent documents of an Investment Fund it advises.

## 17. Voting Client Securities

Clients of the Advisers typically do not purchase securities that require voting.

We have policies and procedures that we believe are reasonably designed to ensure that proxies are voted in the best interests of our clients and to recognize and resolve any material conflicts of interest that may arise in the course of such voting. To the extent the Advisers have discretion over client securities, the following guidelines are observed in exercising any voting responsibilities: (1) employees making any voting decisions will consult the relevant client's voting provisions, (2) securities will be voted in the best interest of the client, (3) the Chief Compliance Officer will check for any conflicts of interest with the applicable Adviser, (4) independent third party voting services may be used, and (5) the Chief Compliance Officer keeps a record of votes and conflicts check results. The Chief Compliance Officer will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the relevant client.

Clients generally cannot direct our vote.

Clients may request additional information regarding how we have voted on specific proxies, or a copy of our proxy voting policies and procedures by sending a written request to the attention of the Chief Compliance Officer, at CBRE Investment Management, 601 S. Figueroa Street, 49th Floor, Los Angeles, CA 90017 or via facsimile at (213) 683-4301.

## 18. Financial Information

The Advisers do not have any financial commitment which impairs its ability to meet contractual and fiduciary commitments to clients. The Advisers have not been the subject of a bankruptcy proceeding.