

NORTHWOOD

I N V E S T O R S



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FORM ADV, PART 2A
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This brochure provides information about the qualifications and business practices of Northwood Investors LLC (“Northwood” or “the Company”). If you have any questions about the contents of this brochure, please contact us at 303-293-7140 or info@northwoodinvestors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Northwood is also available at the SEC’s website www.adviserinfo.sec.gov.

Northwood is registered with the SEC as an investment adviser. Northwood’s registration as an investment adviser does not imply any level of skill or training.

Item 2: Material Changes

This brochure contains no material changes from Part 2A of Northwood's last annual update to the Form ADV dated March 2022, other than to reflect the establishment of the CMBS Funds (as defined herein) and to expand upon the description of certain risk factors and potential conflicts of interest.

Northwood recommends that all clients and investors review this brochure in its entirety.

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Item 4: Advisory Business

A. Description of Firm and Principal Owners

Northwood is a privately-owned, employee-held SEC-registered investment advisor, founded in 2006 by its President and Chief Executive Officer, John Z. Kukral. Since inception, ownership and control of Northwood has been retained, directly and/or indirectly, by Mr. Kukral.

B. Description of Advisory Services

Northwood specializes in real-estate related investments. Northwood provides these services to its clients: privately-offered, investment vehicles (collectively, the “Funds”) and a separate account mandate (the “Separate Account”). The Funds include Northwood Real Estate Partners LP and its parallel funds (the “NREP Funds”) Northwood Real Estate Partners Europe LP (“Northwood Europe”), and any funds, vehicles and/or accounts formed to acquire commercial mortgage-backed securities (“CMBS”) and other real estate and real estate-related debt investments (the “CMBS Funds”).

Northwood invests client assets into individual real estate assets, multi-property portfolios, joint ventures, operating companies, debt and public securities related to real estate or real estate-related companies. Investments may be made in various parts of the capital structure, including equity, preferred equity, debt, participating debt, CMBS and other financial structures which are consistent with clients’ investment objectives. Northwood is responsible for identifying, underwriting, and effecting investments for its clients. Northwood develops a comprehensive investment thesis and management plan for each prospective investment and seeks to generate value for investors by improving the management, operations, financing, and characteristics of the assets it purchases on behalf of its clients.

In most cases, Northwood uses affiliated property management teams (the “Property Management Affiliates”) to manage the investments Northwood has made on behalf of its clients. Property management services include supervising, directing and controlling the day-to-day management and operations of properties, hiring and supervising employees at the property, and such other services as necessary to manage the property.

Property Management Affiliates provide these services for a fee, pursuant to a contractual agreement. Each Property Management Affiliate focuses on a specific real estate sector and employs personnel with meaningful experience in that sector. Northwood’s Property Management Affiliates include:

- Northwood Hospitality LLC,
- Northwood Retail LLC,
- Northwood Office LLC,
- Northwood Residential LLC, and
- Glidefern Property Management Limited (which manages Northwood Urban Logistics assets).

Northwood recognizes conflicts of interest exist when using an affiliated service provider. The applicable Funds’ limited partnership agreements dictate that the terms of any engagement with an affiliate can be no less favorable to the Fund than it would be using a comparable, unaffiliated third party. Northwood believes the benefits of using these affiliates outweigh the conflicts and has taken steps to mitigate concerns. Northwood believes the use of affiliates results in better alignment of interests, efficiencies in

communication, focused number of properties under management, and economic reporting efficiencies. In addition to these benefits, Northwood believes the conflicts associated with using affiliated property management companies are mitigated by treating the net income of the Property Management Affiliates as an offset to the fund management fee paid by limited partners. Northwood believes this approach effectively makes the use of affiliated service providers less costly than using unaffiliated service providers, for which there would be no fee offset. As the Separate Account is non-discretionary and account owners can dictate service providers used, there is no management fee offset when using affiliated service providers.

On occasion, Northwood provides opportunities to co-invest in portfolio investments of the Funds. Northwood does not offer co-investment opportunities with respect to all portfolio investments of the Funds and, when co-investment opportunities exist, Northwood may allocate any such opportunities in its sole discretion. Northwood has a standing co-investment vehicle into which existing limited partners have been offered an opportunity to participate. To date, investment opportunities for which there are co-investment opportunities have principally been allocated to that standing co-investment vehicle.

In the event a prospective investment exceeds the investment capacity for the Funds and the standing co-investment vehicle, additional co-investors could be sought. In allocating such co-investment opportunities, Northwood would consider many factors when identifying co-investment partners; including: the size or timing of investor commitments to the Funds, other potential investments under consideration by the Funds, investment concentration with respect to the Funds, the liquidity needs and obligations of the Funds, nature of the transaction, speed of execution required, tax considerations, the strategic value of a particular investor co-investing in the opportunity in question and other similar items. In all cases, Northwood, in its sole discretion, would determine the most reasonable co-investors to work with and would always attempt to allocate opportunities in the most fair and equitable manner.

A. Tailoring Advisory Services to Individual Needs

Northwood tailors the Funds' advisory services to comply with the requirements set forth in the relevant governing and offering documents. Investment advice is provided directly to each vehicle and not to the vehicles' individual investors. As such, investors generally cannot negotiate Northwood's investment activities to meet their individual needs. However, limited partners may request non-participation in types of investments that could conflict with regulatory/statutory or ideological restrictions of the investor. Such requests are approved or denied at the sole discretion of the general partner of a Fund (the "General Partner") and will be memorialized in side-letter agreements negotiated at the time of subscription.

Owners of the Separate Account have tailored the specific services provided by Northwood.

B. Wrap Fee Programs

Northwood does not participate in wrap fee programs.

C. Assets under Management

As of December 31, 2022, Northwood managed approximately \$11,105,276,086 on a discretionary basis. This amount represents the fair market value of the Funds' assets and the uncalled capital commitments of the Funds' investors.

Northwood manages approximately \$654,869,949 on a non-discretionary basis for the Separate Account.

Item 5: Fees and Compensation

A. Compensation for Advisory Services

As of December 31, 2022, Northwood provides investment advisory services to its clients pursuant to separate investment advisory agreements, which, along with the relevant offering and governing documents, where applicable, explain the details regarding fees.¹

Northwood and/or an affiliate thereof typically receives compensation from management fees, carried interest allocations, performance-based fees and certain other fees or expenses related to transactions. Prospective investors should review the Funds' offering and governing documents to fully understand the total amount of fees and expenses to be paid by the Funds and, indirectly, by their limited partners. The Separate Account agreed to Northwood's fees at the outset of the advisory relationship.

1. Management

1. Management Fees

The NREP Funds and Northwood Europe

Northwood's management fee is paid quarterly, in advance. Management fees for each of the NREP Funds and Northwood Europe are based on an annualized percentage which typically ranges from 0.875% to 2% of one or more of the following: (i) with respect to each limited partner that has not elected to become a fully reduced limited partner, (A) capital commitments or (B) invested capital plus unfunded capital commitments and (ii) with respect to each limited partner that has elected to become a fully reduced limited partner, (A) invested capital plus unfunded capital commitments or (B) invested capital. Management fees for each of the standing NREP co-investment vehicles are based on an annualized percentage which typically ranges from 1% to 2% of invested capital. The management fee payable may be reduced in certain circumstances, as described below.

Management fees are reduced by 100% of any amount contributed by the investors for Fund investments on behalf of the General Partners and their affiliates. Northwood is entitled to the amount of distributions otherwise distributable in respect of such contributions but solely out of profits from investments of the Funds. Such contributions also reduce the amount the General Partners are otherwise required to contribute for an investment of the Funds.

The management fee is also reduced by 100% of the Funds' share of any transaction fees, financing fees and other similar fees received by Northwood or its affiliates in connection with actual or potential investment of the Funds. Property Management Affiliates receive property management fees, leasing fees, construction fees, and other similar fees from the Funds' investments in return for providing property management and related services (see *Item 4: Advisory Business*). The Funds' share of property management fees and other fees earned by the Property Management Affiliates ("Offsetable Property Management Fees"), net of out-of-pocket expenses incurred to operate such Property Management Affiliates, in connection with the investments of such Funds, is applied as a reduction of the management fees payable by the fee-paying limited partners of such Funds. Such expenses include, among other things, shared overhead expenses with Northwood (e.g., rent and personnel), costs for services provided by affiliates of the General Partners, and, as more fully described below, compensation and salary of employees of Property Management Affiliates. For the avoidance of doubt, any property management fees received by Property Management Affiliates with respect to assets owned solely by third parties ("Third Party Fees") shall not be applied as a reduction of the management fees payable by limited partners of the

¹ As all of the unaffiliated limited partners invested in Northwood's Funds are qualified purchasers, as defined in section 2(a)(51)(A) of the Investment Company Act of 1940, the specific details of each Fund's fee schedule are not required to be provided in this brochure.

Funds. In the event any Third Party Fees are received, for purposes of calculating the reduction of the management fees payable by limited partners of the Funds, Northwood reduces the out-of-pocket operating expenses of the Property Management Affiliates by a proportional amount based on the relationship between the Third Party Fees and Offsetable Property Management Fees received in the applicable period.

In connection with a portfolio investment, property management contracts may from time to time be assumed with one or more third parties in respect of assets outside of the portfolio investment. Unless the Funds' Advisory Committee determines otherwise, it is generally expected that any revenue received by a Property Management Affiliate from a third party pursuant to such contracts will be treated as Offsetable Property Management Fees.

Furthermore, from time to time, in connection with the making of a portfolio investment, certain personnel related to the portfolio company that were involved in property management services prior to the portfolio investment join a Property Management Affiliate. Generally, such personnel continue to provide services relating to the applicable portfolio investment and the fees received by the Property Management Affiliate accrue to the benefit of the limited partners to the extent described above. However, subject to the preceding paragraph, to the extent any Property Management Affiliate or such personnel ultimately become involved in the provision of property management or other services for third parties (e.g., entities other than portfolio companies, including entities that cease to be portfolio companies), neither the Funds nor the limited partners will participate in any resulting profits notwithstanding whether the opportunity to provide such property management or other services may not have been available absent a portfolio investment.

Lastly, employees of Property Management Affiliates may in certain instances spend a minority of their time identifying potential portfolio investments and assisting in the due diligence and evaluation of new portfolio investments. Such employees may also be entitled to a portion of the profit distributions that are generated in connection with portfolio investments (which profit distributions may be calculated on an investment-by-investment basis). Such profit distributions will generally be borne by the Funds (and will not be taken into account in calculating any offset to the management fee) notwithstanding that the employees may be employed by a Property Management Affiliate. Senior employees of Property Management Affiliates may also co-invest with Northwood in one or more portfolio investments that are within such Property Management Affiliate's respective sector, which could reduce the share of investment opportunities available to the Funds.

Investments made by Northwood or its affiliates (e.g., General Partners, employees, etc.) do not pay management fees.

CMBS Funds

Limited partners in the CMBS Funds pay a management fee based on actively invested capital. Such fee is paid quarterly, in arrears.

Separate Accounts

The Separate Account pays a management fee based on the gross asset value of the Separate Account's portfolio. Such fee is paid quarterly, in arrears.

2. Carried Interest Allocations and Performance-Based Fees

The NREP Funds and Northwood Europe

The General Partners of the Funds are entitled to receive a portion of the distribution of investment proceeds as incentive compensation (generally known as “carried interest”). The carried interest is calculated as 25% of the investment proceeds otherwise allocable to the limited partners of a Fund for a particular investment after the limited partners have received the capital contributed for the investment, capital contributed for all other realized investments, a pro rata portion of capital contributed for Fund expenses and a 6% annualized preferred return on these amounts. Thereafter, investment proceeds otherwise allocable to a limited partner are distributed 75% to the limited partner and 25% to the General Partner of such Fund.

In addition, the General Partner of each Fund is subject to clawback provisions and is obligated to return to the limited partners any carried interest received by the General Partner of each Fund if such compensation is greater than 25% of the profits (subject to the return of invested capital, pro-rata return of expenses and 6% annualized preferred return on these amounts) over the course of certain time periods.

The governing fund documents for each Fund contain the details of how the incentive allocations are calculated and details the foregoing provisions as they apply to each Fund.

Investments made by Northwood or its affiliates (e.g., General Partners, employees, etc.) do not pay carried interest.

CMBS Funds

The General Partners of the CMBS Funds are entitled to receive a carried interest with respect to each of the limited partners. The carried interest percentage applicable to each limited partner was agreed upon at the outset of the advisory relationship. The governing fund documents for each CMBS Fund contain the details of how the carried interest is calculated.

Separate Account

The Separate Account is a qualified purchaser. Accordingly, Northwood negotiated to receive a performance-based fee from the Separate Account to the extent that Northwood outperforms relative to specified hurdles. The performance fee rate and the performance hurdles were agreed upon at the outset of the advisory relationship.

3. Acquisition Fees

Northwood negotiated to receive acquisition fees from the Separate Account on the purchase price of assets (excluding closing costs). The acquisition fee rates and the valuation practices used for such fee calculations were agreed upon at the outset of the advisory relationship.

B. Collection of Fees

The Funds

Management fees may be paid from amounts contributed to the Funds by investors or withheld from investment proceeds. The Funds may also borrow against credit lines to advance the management fee to Northwood. The funds will bear any interest expenses incurred as the result of this practice.

Carried interest is deducted and paid from distribution proceeds.

Separate Account

The Separate Account generally makes check or wire fee payments on a quarterly basis. Northwood generally invoices the Separate Account for the payment of fees.

C. Other Fees and Expenses

The Funds

The Funds' limited partners are required to pay their pro rata portion of organizational and offering expenses in connection with offering of interests in the Funds. Fees paid to placement agents, to the extent borne by limited partners in a Fund, are applied as a 100% offset to the management fees payable by such Fund to Northwood.

Investments made by Northwood or its affiliates (e.g., General Partners, employees, etc.) do not pay placement agent fees.

Each Fund, except as noted above, pays all expenses related to its own operations, including, but not limited to, organizational expenses, fees, costs and expenses directly related to purchasing, disposing of, financing, refinancing, hedging, holding, monitoring, developing, negotiating, and structuring Fund investments and transactions that are not consummated (i.e. broken deal costs) and costs of related information management and trading systems (whether maintained by the General Partner, Northwood or their affiliates or otherwise), and other costs and fees in connection with duplicating, postage, delivery, communications, appraisal, engineering and environmental services, property and asset management fees in connection therewith and lodging, travel, meals and other travel related costs in connection therewith (to the extent not subject to any reimbursement of such costs and expenses by entities in which such Fund invests or other third parties); costs and expenses of rating agencies, costs and expenses arising from any foreign exchange or other currency transactions, and any insurance, reimbursement, indemnity, or litigation expenses; all fees, costs and expenses of advisers, travel expenses, accountants, administrators, appraisers, tax advisers, consultants, custodians, depositaries, lenders, investment banks and other financing sources, and legal counsel, brokers, deal finders, agents, valuation experts, data providers (including related systems and services from such data providers and data management software), and other advisers and professionals (including audit and certification fees and the costs of preparing, printing and distributing reports to the Fund's partners); sales, leasing and brokerage commissions, prime brokerage fees, agent bank and other bank service fees, development fees, loan servicing fees, custodial expenses and other investment costs incurred in connection with Fund investments; principal, interest on and fees and expenses arising out of all borrowings made by such Fund, including the arranging thereof; the costs of any fidelity bond or similar insurance and the costs of any litigation, D&O liability or other insurance and indemnification or extraordinary expense or liability relating to the affairs of such Fund; expenses of liquidating the Fund; any taxes, fees or other charges levied against the Fund; all expenses incurred in connection with any audit, investigation, settlement or review of the Fund, expenses associated with the Fund's administrative, reporting, monitoring, research or research- related costs, financial statements and tax returns; expenses associated with portfolio and risk management, including currency hedging; fees, costs and expenses related to the organization or maintenance of any intermediate entity (including, without limitation, a vehicle formed by or in respect of one or more Northwood funds, vehicles and/or accounts through which another Fund participates in an investment) used to acquire, hold or dispose of any investment or otherwise facilitating a Fund's investment activities, including without limitation, any travel and accommodation expenses related to such entity, the salary and benefits of any personnel reasonably necessary for the maintenance of such entity, or other overhead expenses in connection therewith; all fees, costs and expenses of the annual meeting and meetings of the Funds' Advisory Committee under the limited partnership agreement and any meetings or conferences with one or more Partners; all fees, costs and expenses, if any, associated with any third-party examinations or audits (including fees, costs and expenses associated with any REIT subsidiary or other similar services) of the Fund, the General Partner or Northwood that are

attributable to the operation of the Fund or requested by the Fund's limited partners; all fees, costs and expenses, if any, incurred in connection with the Fund's legal, tax, regulatory and statutory compliance with U.S. federal, state, local, non-U.S. or other law or regulation (including, without limitation, regulatory filings of Northwood and its affiliates relating to the Fund and its activities, including reporting on and compliance with Form PF, FATCA and any comparable legislation or regulations published by any other relevant jurisdiction, including in each case, reports, disclosures, filings and notifications prepared in connection with compliance by the Fund or any parallel vehicle with the European Union Alternative Investment Directive ("AIFMD") by the Fund or any parallel vehicle, but excluding any fees, costs and expenses incurred in connection with the organization and maintenance of any entity established to be the "alternative investment fund manager" of the Fund or any parallel vehicle within the meaning of the AIFMD); expenses incurred in connection with complying with provisions in side letter agreements, including "most favored nations" provisions; any unreimbursed out-of-pocket expenses incurred in connection with any actual or proposed transfer of interests in a Fund; tax preparation expenses (which includes the preparation and filing of any forms, schedules, filings, information or other documents necessary to avoid the imposition of withholding or other taxes pursuant to "FATCA" and Report of Foreign Bank and Financial Accounts); and all expenses and fees charged or specifically attributed or allocated by Northwood or its affiliates to provide in-house legal, tax, accounting, reporting and portfolio monitoring services to the Fund and/or portfolio companies, and expenses, charges and/or related costs incurred by the Fund, Northwood or its affiliates in connection with such provision of in-house legal, tax, accounting, reporting and portfolio monitoring services to the Fund and/or portfolio companies including, without limitation, compensation and other overhead allocable to such services; *provided*, that the General Partner determines in good faith that any such expenses, charges or related costs are not greater than what would be paid to an unaffiliated third party for substantially similar services.

The Funds are responsible for reimbursing the cost of meal and travel expenses related to Fund business. Such travel expenses include Northwood and its affiliated persons' airfare, which may be coach, business or first class. Travel expenses for Northwood and its affiliated persons may include expenses for private transportation, including chartered airfare when the use of a chartered plane is deemed appropriate in Northwood's discretion. In addition, to the extent Northwood and its affiliated persons incur travel expenses in connection with any meetings with existing and/or prospective investors in a Fund, a portion of such travel expenses may be allocated to such Fund as organizational expenses. Also, Northwood and its affiliated persons can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Funds which will not be subject to the offset of the Management Fee or otherwise shared with the Fund, its investors and/or the portfolio companies. For example, airline travel or hotel stays incurred as Fund expenses typically result in "miles" or "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to Northwood and/or such affiliated persons (and not the Fund, its investors and/or the portfolio companies) even though the cost of the underlying service is borne by the Fund and/or the portfolio companies. In addition, airline travel incurred as a Fund expense for Northwood affiliated persons traveling for appropriate Fund-related purposes (including, without limitation, travel related to a portfolio investment, a prospective portfolio company or other Fund-related matters) may benefit such affiliated persons to the extent the trip also serves a personal purpose, as occurs from time to time. Northwood has policies and procedures dictating permissible practices as they relate to meal and travel expenses.

Northwood occasionally invests in assets where the investment opportunity is shared with a joint venture partner ("JV Partner") that provides equity and/or services to the project. JV Partners can receive compensation in the form of management fees or incentive allocations when investments outperform certain hurdles. This compensation is typically paid to the JV Partner by the underlying asset, which is an indirect expense to the Funds. As applicable, JV Partner compensation is provided to limited partners in the Investment Committee memos of the relevant investment.

Prospective investors must refer to the detailed information found in each Fund's governing fund documents for specific information about the fees that may be earned by Northwood and the fees potentially charged to the Funds.

Separate Account

The Separate Account is generally required to bear certain costs, as required by regulations or individual preference. Separate Account owners may bear expenses in the area of audit, due diligence, banking and lending fees and more. Such fees were negotiated and articulated in a written advisory agreement and/or supplementary documents drafted at the outset of the advisory relationship.

D. Payment of Fees In Advance/Arrears

The Funds

As noted above, management fees for the NREP Funds and Northwood Europe are paid quarterly in advance. Management fees for the CMBS Funds are paid quarterly in arrears.

In circumstances where additional capital is called for Northwood's co-investment vehicles, either in the form of new limited partners or additional capital committed by existing limited partners, after the calculation and collection of quarterly advance management fees, Northwood will pro-rate additional management fees the following quarter, pro-rata, based on the number of days capital was under management but for which management fees were not assessed.

Separate Account

As noted above, management fees for the Separate Account are paid quarterly in arrears.

To the extent a Separate Account's written advisory agreement and/or supplementary documents are terminated during a relevant period for which management fees are payable, Separate Account owners will be required to bear any management fees with respect to such period that have accrued prior to the date of termination.

E. Compensation for Sale of Securities and Other Investment Products

Neither Northwood nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

As described in *Item 5: Fees and Compensation*, Northwood is eligible to receive carried interest or performance-based fees as incentive compensation for managing the Funds. The fact that Northwood is generally compensated based on a share of capital gains on or capital appreciation may create an incentive for Northwood to make investments that are riskier or more speculative than would be the case in the absence of such compensation.

Practically speaking, however, this risk is mitigated for the Funds due to the substantial investment in the Funds by Northwood and its affiliates. The Separate Account is non-discretionary and, therefore, would not be approved by the owners of the account if a proposed transaction were outside the client's risk parameters. Further, the most substantive economic benefit to Northwood is largely dependent upon the success of investments, which drives Northwood's carried interest or performance-based fees. Accordingly, pursuing riskier investments to increase the carried interest or performance-based fees is most likely counterproductive to Northwood's economic interests.

Item 7: Types of Clients

Northwood provides discretionary investment advice to the Funds and non-discretionary investment advice to the Separate Account. Both investors in the Funds and the Separate Account can include pension plans, endowments, foundations, corporate and business entities, trusts, and high net worth individuals. Northwood does not have a minimum account size, but clients and investors are required to meet certain suitability qualifications, such as being an "accredited investor" and a "qualified purchaser" within the meaning set forth under the federal securities laws.

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

A. Investment Strategies

Client assets are invested in a broad range of real estate and real estate-related investment opportunities.

Northwood sources investment opportunities from a variety of industry participants including property owners, other real estate professionals, lawyers, managers, brokers, financial institutions, multinational corporations, and competing funds.

Northwood employs a fundamental, value-driven investment strategy that seeks to maximize long-term value through acquisition or funding of ownership interests in individual real estate assets, multi-property portfolios, joint ventures, operating companies, and securities and debt related to real estate or real estate related companies and will pursue a disciplined investment approach to identify attractive opportunities which offer upside potential and downside risk protection. Northwood will also consider investment opportunities in operating businesses or other assets for which real estate is a material component or asset base.

Northwood's clients may (and the CMBS Funds will) also periodically invest in publicly traded real estate and real estate related securities. Northwood believes dislocations in the real estate debt markets will, on occasion, create the ability to buy listed securities at attractive pricing.

Northwood's investment process in making real estate-related debt and distressed investments initially involves: (i) identifying investment opportunities; (ii) assessing the opportunities to ensure that they meet preliminary screening criteria, i.e., suitability of the potential investment in light of the Fund's offering

documents; and (iii) reviewing the opportunities to determine whether to incur costs associated with more in-depth diligence. In assessing the suitability of a particular investment for the Funds' portfolio, Northwood will evaluate the expected risk-adjusted return relative to the expected returns available from comparable investments. With respect to each investment opportunity, Northwood will also consider its in-house asset management team's ability to extract excess value from the investment through active post-acquisition asset management. Based on the foregoing criteria, among others, Northwood will make investment decisions utilizing proprietary modeling systems to establish an appropriate price for such assets.

Northwood's investment process generally involves an initial review of each investment opportunity by one or more investment professionals under the supervision and direction of Northwood's investment committee (the "Investment Committee"). Northwood's investment personnel generally meet weekly to discuss existing investments, pending investment opportunities, discuss ideas, and strategies for uncovering new investments. Investments which merit further consideration undergo a formal due diligence process after which the investment professionals prepare a formal Investment Committee Memorandum, which details their analysis, conclusions, and recommendations.

Northwood's Investment Committee is comprised of two voting members, Messrs. Kukral and Profenius, as well as contributing members, including Northwood's CFO and all of its Managing Directors and Senior Managing Directors. The Investment Committee is responsible for reviewing all investment decisions, including acquisitions, dispositions, and potential structures for deals. The investment process requires the insight and input from Northwood's entire investment team, but the voting members of the Investment Committee make all investment decisions. All investment decisions must be unanimous among the Investment Committee's voting members.

Northwood's investment strategy usually includes retaining Property Management Affiliates to be responsible for the day-to-day operations of real estate assets. Northwood uses its Property Management Affiliates due to its belief that such arrangements represent strong operational efficiencies and better alignment of interests to drive value creation. The Property Management Affiliates are responsible for implementing business plans and are held accountable for creating value. The execution of the business plans generally involves creating and/or monitoring budgets, leasing, marketing, capital expenditures, repositioning, and identifying and hiring appropriate personnel at the investment properties.

Northwood seeks to establish multiple exit options for each investment, including refinancing, partial or strategic sales, exchanges, and direct sales. Northwood believes that positioning an investment for multiple exit options enhances downside protection against inevitable shifts in demand or market fluctuations and reinforces its objective of long-term value creation.

While Northwood may consider environmental, social and governance ("ESG") factors when making an investment decision, the Funds do not pursue an ESG-based investment strategy or limit their investments to those that meet specific ESG criteria or standards.

B. Material Risks of Investment Strategy

Investments in real estate involve multiple risks. Below, Northwood has summarized risks it believes primary to the type of investments it makes on behalf of its clients. The risks identified below, however, do not represent the entirety of risks a prospective investor or client should evaluate before retaining Northwood to provide its advisory services. Prospective investors in the Funds should carefully review and consider all of the risks related to investing that are set forth in the applicable private placement memorandum or other offering documents.

1. Private Investment Vehicles

An investment in any privately-offered investment vehicle involves inherent risks. Such investments are suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of investment. There can be no assurance that any investment vehicle will meet its investment objectives or that an investor will receive a return of its capital. Additionally, there can be no assurance that any investment will be able to generate returns for investors or that returns will be commensurate with the risks of the investment. Investment in a privately-offered investment vehicle should only be made by those that can afford a loss of their entire investment.

2. No Assurance of Investment Return

Northwood cannot provide any assurance whatsoever that it will be able to choose, make, or realize investments in any particular investment or will otherwise successfully implement a Fund's investment strategy. There can be no assurance that a Fund will be able to generate returns for its limited partners or that any limited partner will receive any distribution from such Fund. All investments involve the risk of loss of capital. Accordingly, an investment in a Fund should only be considered by persons who can afford a loss of their entire investment. Past performance of a Fund and any other investment entities associated with Northwood is not necessarily indicative of future results and there can be no assurance that a Fund will achieve (or continue to achieve) comparable results. There can be no assurance that projected returns for a Fund or any of its existing or future Investments will be achieved or that such Fund will achieve comparable results.

3. Real Estate Risks Generally

The Funds' portfolio investments will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. Deterioration of real estate fundamentals in the jurisdictions in which the Funds hold portfolio investments may negatively impact the performance of the Funds. These risks include, but are not limited to, those associated with the burdens of ownership of real property, general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in building, environmental, zoning and other laws, casualty or condemnation losses, regulatory limitations on rents, decreases in property values, changes in the appeal of properties to tenants, natural disasters, increase in interest rates, changes in supply and demand for competing properties in an area (as a result, for instance, of overbuilding), fluctuations in the average occupancy, operating income and room rates for hotel properties, the financial resources of tenants, energy and supply shortages, various uninsured or uninsurable risks, the availability of mortgage funds, which may render the sale or refinancing of properties difficult or impracticable, increased mortgage defaults, increases in borrowing rates, negative developments in the economy or political climate that depress travel and other forms of activity, environmental liabilities, contingent liabilities on disposition of assets, political events, changes in government regulations (such as rent control), changes in real property tax rates and operating expenses, terrorist attacks, war, acts of God and other factors that are beyond the control of Northwood. The value of securities of companies which service the real estate business sector may also be affected by such risks. In addition, in acquiring a property or stock, the Funds may agree to lock-out provisions that materially restrict it from selling that property or stock for a period of time or that impose other restrictions, such as a limitation on the amount of debt that can be placed on that property. There can be no assurance that there will be a ready market for the resale of portfolio investments because the portfolio investments (other than portfolio investments made by the CMBS Funds) generally will not be liquid. Illiquidity may result from the absence of an established market for the portfolio investments, as well as legal or contractual restrictions on their resale by the Funds.

4. General Economic and Financial Market Conditions

Turmoil such as that recently experienced by the U.S. and global financial markets as a result of the COVID-19 pandemic, and such as that which markets endured during the global financial crisis of 2008, illustrates the risk that the financial markets can experience uncertainty, volatility and instability, potentially for protracted periods of time. The global credit markets continue to experience substantial volatility, disruption, liquidity shortages and to some extent financial instability. Global financial markets have experienced considerable and prolonged declines in the valuations of equity and debt securities and periodic acute contraction in the availability of credit. There can be no assurances that conditions in the global financial markets will not worsen and/or adversely affect one or more of a Fund's investments (including with respect to performing under or refinancing their existing obligations), its access to capital or leverage, its ability to effectively deploy its capital or realize investments on favorable terms or its overall performance.

The success of a Fund's activities will be affected by the continued economic volatility as well as general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in applicable laws and regulations (including laws relating to taxation of such Fund's investments), trade barriers, consumer spending patterns, currency exchange controls, continued technology disruption, tax reform or other significant policy changes as well as national and international political, environmental and socioeconomic circumstances (including wars, terrorist acts, security operations or public health considerations). Commercial, market or other considerations may result in changes to the Partnership's staffing levels, investment operations or investment process. In addition, the slowdown in the global economy and changes in the prices of oil and gas, raw materials and agricultural commodities may affect inflation rates and currency exchange rates, which may in turn have a negative impact on a Fund's investments.

These factors may affect the level and volatility of securities prices and the liquidity of a Fund's investments, which could impair such Fund's profitability or result in losses. In addition, general fluctuations in the market prices of assets, securities and interest rates may affect a Fund's investment opportunities and the value of such Fund's investments. Northwood's financial condition may be adversely affected by a significant economic downturn and it may be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on Northwood's businesses and operations (including those of a Fund). Any of the foregoing events could result in substantial or total losses to the Funds in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in an investment's capital structure.

Each Fund's investment strategy and the availability of opportunities that fit within such Fund's mandate relies in part on the continuation of certain trends and conditions observed in the financial markets and in some cases the improvement of such conditions. Trends and historical events do not imply, forecast or predict future events and, in any event, past performance is not necessarily indicative of future results. There can be no assurance that the assumptions made or the beliefs and expectations currently held by the applicable General Partner will prove correct and actual events and circumstances may vary significantly.

Recent volatility in the global financial markets and political systems of certain countries may have adverse spill-over effects into the global financial markets generally. Moreover, a recession, slowdown and/or sustained downturn in the global economies (or any particular segment thereof) or weakening of credit markets will adversely affect a Fund's profitability, impede the ability of such Fund's portfolio companies to perform under or refinance their existing obligations, and impair such Fund's ability to effectively exit investments on favorable terms. Any of the foregoing events could result in substantial or total losses to the Funds in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in a particular portfolio company's capital structure. Northwood itself could also be affected by difficult

conditions in the capital markets and any overall weakening of the financial services industry in particular or of the U.S. and/or global economies generally.

Recent bank closures in the U.S. banking sector have caused uncertainty for financial services companies, and fear of instability in the global financial system generally. Notwithstanding intervention by U.S. governmental agencies to protect the uninsured depositors of banks that have recently closed, there is no guarantee that the uninsured depositors of a financial institution that closes, which could include the Funds and/or its portfolio companies, will be made whole or, even if made whole, that the deposits will become available for withdrawal in short order. In addition, there could be a closure of a financial institution that provides credit facilities and/or other forms of financing, and in such event, there can be no assurance that their ability to honor these obligations will continue or be unaffected or, if affected, whether other financial institutions can provide replacement financing or capabilities and on similar terms. In addition, it is possible that other banking institutions may be similarly impacted, and it is uncertain what steps regulators may take in the event of further bank closures. Uncertainty caused by recent bank failures – and general concern regarding the financial health and outlook for other financial institutions, including smaller and/or regional banks – could have an overall negative effect on banking systems and financial markets generally. The recent developments may also have other implications for broader economic and monetary policy, including interest rate policy. For the foregoing reasons, there can be no assurances that conditions in the global financial markets will not worsen and/or adversely affect the Funds or one or more of its portfolio investments or its overall performance.

5. Coronavirus and Public Health Emergencies

There is currently an ongoing outbreak of a novel and highly contagious form of coronavirus (“COVID-19”), which the World Health Organization has declared to constitute a global pandemic. The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity, and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The global ramifications of the outbreak have been rapidly evolving over the course of the pandemic, and many countries have reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, factories, schools, retail stores, restaurants, hotels, courts and other public venues, vaccine mandates (e.g., for certain public sector employees) and other restrictive measures designed to help slow the spread of COVID-19. Certain countries and regions have at times implemented a “dynamic COVID zero” or strict containment policy, and may continue to, impose and lift lockdown measures with limited notice and with uncertain durations (such as the lockdowns of Beijing and Shanghai). Such measures have at times been, and may continue to be, imposed and lifted with limited notice and with uncertain durations. Businesses have at different times and to different degrees also implemented similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in the global public and private markets, supply chains and economic activity and are especially impactful on transportation, hospitality, tourism, entertainment, healthcare, consumer and other industries. Moreover, with the continued spread of COVID-19, in particular in certain nations and localities, governments and businesses have taken, and may continue to take, increasingly aggressive measures to help slow its spread. For this reason, among others, as COVID-19 has and could in the future continue to spread throughout the world, resulting in adverse market impacts, including global, regional or other economic recession, the likelihood of an ongoing and/or exacerbated impact is uncertain and difficult to assess.

Any public health emergency, including any new outbreaks or variants of COVID-19, SARS, H1N1/09 flu, avian flu, respiratory syncytial virus or RSV, other coronaviruses, Ebola or other existing or new epidemic diseases, or the threat thereof, could negatively impact the Funds and their portfolio companies and could meaningfully affect a Fund’s ability to fulfill its investment objectives.

The extent of the impact of any public health emergency on the Funds' and their portfolio companies' operational and financial performance will depend on many factors, including but not limited to the duration and scope of such public health emergency (as well as the availability of effective treatment and/or vaccination), the extent of any related travel advisories and voluntary or mandatory government or private restrictions implemented, the impact of such public health emergency on overall supply and demand, goods (including component parts and raw materials) and services, investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. For example, the shortage of workers and lack of key components and raw materials that has come as a result of COVID-19 has and may continue to contribute to manufacturers and distributors being unable to produce or supply enough goods to meet increasing demands.

The impact of these global supply chain constraints may not fully be reflected until future periods and may have an adverse impact on the Funds and their portfolio companies at a future point when COVID-19 may not be as prevalent in the public. For this reason, valuations in this environment are subject to heightened uncertainty and subject to numerous subjective judgments even beyond what is traditionally the case, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value in the midst of significant volatility or market dislocation. The effects of a public health emergency may negatively impact the value and performance of the portfolio companies, a Fund's ability to source, manage and divest investments (including but not limited to circumstances where potential transactions are already signed but not closed) and a Fund's ability to achieve its investment objectives, all of which could result in significant losses to such Fund. In particular, a public health emergency like COVID-19 may have a greater impact on leveraged assets.

Any such disruptions may continue for an extended and uncertain period of time. In this regard, views and other forward looking statements expressed herein are based upon assumptions that may not be valid during or following a public health emergency such as the one that has been underway for in excess of two years. The full impacts of the pandemic on markets, business activity and the global economy, as well as the effects of changes in economic, monetary and fiscal policies of the U.S. and/or other countries that have been adopted and may in the future be adopted to address the current pandemic or the possibility of a similar future event, price shocks and related externalities, are not yet fully identified or understood and the situation continues to evolve. In implementing a Fund's investment strategy, Northwood will make a number of assumptions, including as to the severity of the consequences of COVID-19 to prospective issuers, and the likelihood of a similar future event and any possible impacts thereof. There can be no assurances that such assumptions will be correct and unexpected events and developments, including the severity of this or any other pandemic on economies and specific portfolio companies, may be detrimental to the Funds and their investments.

The operations of the Funds, the portfolio companies, and Northwood may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings (including office attendance), forwarding of and otherwise delayed receipt of mail, and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers and the volatility in the labor, transport, energy and other markets resulting from or otherwise linked to the relaxation of related quarantine measures, meeting and travel restrictions. Additionally, restrictions on immigration and processing of visas and other work permits may affect the work force of the Funds' portfolio companies, some of which may rely on foreign talent as an important part of its work force and which could have a material adverse impact on their ability to implement their business plans. The impact to businesses in such circumstances has been and is expected to continue to be

substantial. In addition, multiple jurisdictions have adopted, or are considering to adopt, vaccine mandate legislation or regulations that require certain public sector employees and/or private sector employees to obtain vaccines (subject to certain exceptions, which vary per jurisdiction). Employee attrition and turnover resulting from such mandates could adversely affect, both directly and indirectly, the business operations of Issuers that operate within those jurisdictions (e.g., by requiring them to discontinue their employment of critical personnel who are not vaccinated).

6. Social Unrest

Recent events concerning discrimination, race relations and inequality have led to protests, demonstrations, marches and other forms of political and social activism on a local, regional, national, and international level as well as rioting in some instances. Such activism, which has ranged from peaceful to in some instances, violent, has resulted in curfews, the deployment of the national guard and other local and national interference, and could lead to increased political and social volatility and uncertainty, which was already heightened in wake of the COVID pandemic. While the overall effect of such activism remains unknown, investors should note that this type of volatility and uncertainty could materially and adversely impact the businesses and assets in which Northwood invests, as well as the real estate space more generally.

7. 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). On February 22, 2022, 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, European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus, as well as a number of Russian Oligarchs. Additional sanctions, export controls, and other measures continue to be adopted as the conflict continues. For example, in September and October of 2022, following the purported annexation by Russia of four territories of Ukraine, several nations imposed additional sanctions, export controls, and other measures against Russia and those outside of Russia that provided political or economic support for the purported annexation. 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 (including in the countries in which the Partnership invests), and therefore could adversely affect the performance of the Partnership's investments. Furthermore, given the ongoing nature of the conflict between the two nations and its ongoing escalation (such as Russia's 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 Funds and the performance of their respective investments or operations, and the ability of the Funds to achieve their investment objectives.

8. Highly Competitive Market for Investment Opportunities

The activity of identifying, completing and realizing attractive real estate investments that fall within a Fund's investment objective is highly competitive, and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions. In particular, in light of changes in such conditions, including changes in long-term interest rates, certain types of investments may not be available to a Fund on terms that are as attractive as the terms on which opportunities were

previously available to the Fund or were available to previous investment programs with which Northwood's professionals were involved. Each Fund will be competing for investments with many other real estate investment vehicles, as well as individuals, private and publicly traded real estate investment trusts as defined in the Code ("REITs"), financial institutions (such as investment and mortgage banks, pension funds and real estate operating companies), hedge funds, sovereign wealth funds, and other institutional investors. Further, over the past several years, many real estate investment funds and publicly-traded REITs have been formed and others have been consolidated (and many such existing funds have grown in size) for the purpose of investing in real estate assets. Additional real estate funds, vehicles and REITs with similar investment objectives may be formed in the future by other unrelated parties and further consolidation may occur (resulting in larger funds and vehicles). Some of these competitors may have more relevant experience, greater financial and other resources, and more personnel than the General Partners, Northwood, and the Funds.

9. Diversification

Although the Funds are subject to certain diversification limitations, to the extent the General Partners concentrate the Funds' portfolio investments in a particular market, the Funds' portfolios may become more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting that particular market. Certain geographic regions may be more adversely affected from economic pressures when compared to other geographic regions.

10. United Kingdom Withdrawal from the European Union

As part of the process of the United Kingdom ("UK") leaving the European Union ("EU"), the EU and the UK agreed to the EU-UK Trade and Cooperation Agreement ("FTA") that governs the trading relationship between the UK and the member states of the EU and came into effect on January 1, 2021. Broadly, the FTA provides for zero tariffs and zero quotas on all goods that comply with the appropriate rules of origin, but is subject to both parties maintaining a level playing field in areas such as environmental protection, social and labor rights, investment, competition, state aid, and tax transparency.

Firms that conduct or depend on the provision of cross-border services, including UK regulated firms in the financial sector, are adversely affected by these arrangements because FTA does not provide for continued access by UK firms to the EU single market – although there is the possibility that in time, the UK may obtain a recognition of equivalence from the EU in certain financial sectors which would enable varying degrees of access to the EU market. Similarly, notwithstanding zero tariffs and zero quotas on goods, market access for those firms that conduct cross-border trade in goods will fall below what the single market previously allowed. Non-tariff barriers, customs declarations, customs checks, restrictions on movements of employees, withdrawal of recognition of previously recognized professional qualifications, changes in the status of the UK vis-à-vis the EU for tax and VAT purposes, and other sources of friction have the potential to impair the profitability of a business, require it to adapt, or even relocate to operate through an establishment in the EU. Understanding and preparing for these new arrangements may result in increased operational and compliance burdens for the Funds.

It will take some time to observe the many and varied effects on UK and EEA businesses as a consequence of the UK leaving the single market and customs union (taking into account the flow of goods and services in both directions). Given the size and global significance of the UK's economy, uncertainty, at least in the near term, about the effect of the FTA on the day-to-day operations of those businesses that engage in the cross-border trade of goods or services between member states of the EU and the UK, may be a continued source of currency fluctuations or have other adverse effects on international markets, international trade, and other cross-border cooperation arrangements. The present uncertainty could therefore adversely affect the Funds, the performance of their investments and their ability to fulfill their investment objectives

(especially if its Investments include, or expose it to, businesses that have historically relied on access to the single market for their custom or that have historically relied on sourcing goods, materials, or labor from the single market).

The withdrawal of the UK from the EU may also increase the compliance and regulatory burden of the Funds. The UK legal and regulatory framework may, with time, increasingly differ from EU laws and regulations and the General Partner will need to consider both systems to ensure compliance with applicable laws and regulations.

11. Illiquid and Long-term Investments

Certain client investments will include debt and equity investments in real estate properties and real estate businesses for which, often, no public market exists. Although clients' investments may generate some current income, the return of capital and the realization of gains, if any, from investments will generally occur only upon the partial or complete disposition or refinancing of such investment.

Generally, there will be no public market for the investments at the time of its acquisition. To the extent investments are not publicly traded, clients may be unable to liquidate the investment for a significant period and may be unable to do so at a profit.

12. Commercial Mortgage-Backed Securities

The value of CMBS is subject to risk from possible geographic and/or industry concentration. Unlike residential mortgage loans, most commercial mortgage loans are not amortized over the loan term. Instead, with most commercial mortgage loans the bulk of the loan balance is payable at maturity with a one-time payment, commonly known as a "balloon payment." Full satisfaction of the balloon payment by a commercial borrower is heavily dependent on the availability of subsequent financing. Usually, a commercial borrower will seek out another loan to satisfy the balloon payment on a commercial mortgage loan. Therefore, full satisfaction of a commercial mortgage loan will be affected by a commercial borrower's access to credit. In certain situations, and during periods of credit distress, the unavailability of real estate financing may lead to default by a commercial borrower.

Commercial mortgage loans are usually non-recourse in nature. Therefore, if a commercial borrower defaults on the commercial mortgage loan underlying CMBS, then the options for financial recovery are limited in nature.

Investments in CMBS are also subject to various risks and uncertainties, including credit, market, interest rate, structural and legal risks. These risks may be magnified by the continued volatility in the credit and commercial real estate markets. The investment characteristics of CMBS differ from traditional debt securities in a number of respects, and are similar to the characteristics of structured credit products in which investors participate through a trust or other similar conduit arrangement.

13. Non-Payment of Mortgages Underlying CMBS

The collateral underlying CMBS generally consists of commercial mortgages or real property that have a multifamily or commercial use, such as retail space, office buildings, warehouse property and hotels. With most commercial mortgage loans the bulk of the loan balance is payable at maturity with a one-time payment, commonly known as a "balloon payment" and is usually non-recourse in nature. The prospect of full repayment of the commercial mortgage loans underlying CMBS depends on the ability of the commercial borrower to generate current income from its commercial property. Also, the likelihood of the commercial borrower repaying the commercial mortgage loan at maturity is heavily influenced by the

commercial borrower's ability to secure subsequent financing. If a commercial borrower defaults on the commercial mortgage loan underlying a CMBS, then the options for financial recovery are limited in nature. In the event of default, the lender will have no right to assets beyond collateral attached to the commercial mortgage loan. In certain instances, a negotiated settlement or an amendment to the terms of the commercial mortgage loan are the only options before an ultimate foreclosure on the commercial property. Foreclosures can be lengthy and expensive and borrowers often assert claims, counterclaims and defenses to delay or prevent foreclosure actions. At any time during the proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure action and further delaying the process, and materially increasing the expense thereof, which expenses may not be recoverable. The ultimate disposition of a foreclosed property may also yield a price insufficient to cover the cost of the foreclosure process and the balance attached to the defaulted commercial mortgage loan, which would result in substantial investment losses, and ultimately a decline in the value of CMBS.

14. Investments in Publicly Traded Securities

The Funds invest in publicly-traded debt and/or equity securities, including REITs, master limited partnerships and tranches of commercial mortgage-backed securities. Such publicly-traded securities may comprise a material portion of the portfolio investments in which a limited partner participates. These activities are subject to the risks present in investing in publicly-traded securities, including economic, political, interest rate and other risks, fluctuations in public market values, increased obligations to disclose information regarding the applicable publicly-held company, the risk of loss from counterparty defaults, increased likelihood of shareholder litigation against such company's board members and the company itself, and increased costs associated with each of the aforementioned risks. The Funds may choose to directly or indirectly hedge against certain of these risks, but there can be no guarantee such transactions will protect the Funds from loss. Additionally, these activities may be subject to liquidity risk, counterparty credit risk, legal risk and operations risk, company specific and industry specific factors and may involve significant economic leverage and, in some cases, be subject to significant risks of loss. When investing in publicly-traded securities, the Funds may be unable to obtain financial covenants or other contractual rights, including management rights that it might otherwise be able to obtain in making privately negotiated portfolio investments. Moreover, the Funds may not have the same access to information in connection with portfolio investments in publicly-traded securities, either when investigating a potential portfolio investment or after making a portfolio investment, as compared to privately negotiated Investments. Furthermore, the Funds may be limited in their ability to make portfolio investments, and to sell existing portfolio investments, in publicly-traded securities because Northwood may be deemed to have material, non-public information regarding the issuers of those securities or as a result of other internal policies. The inability to sell publicly-traded securities in these circumstances could materially adversely affect the portfolio investment results of the Funds. In addition, a portfolio investment may be sold by the Funds to a public company where the consideration received is a combination of cash and stock of the public company, which may, depending on the securities laws of the relevant jurisdiction, be subject to lock up periods.

15. Nature of Debt Securities

The Funds have the ability to invest in debt securities, including fixed income securities. The debt securities in which the Funds and portfolio companies may invest may include secured or unsecured debt, which could be subordinated to senior indebtedness, all or a significant portion of which may be secured. Senior creditors will have significant influence, which may exceed the influence of the Funds or portfolio companies in certain scenarios. In addition, the debt securities in which the Funds invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity, and may not be rated by a credit rating agency. Debt securities are also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a "fraudulent conveyance" under 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. The Funds' portfolio investments may be subject to early withdrawal features, refinancing options, pre-payment options, or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Funds earlier than expected, thereby depriving the Funds of their expected return. In addition, depending on fluctuations of the equity markets and other factors, warrants and other equity securities obtained in connection with a debt financing may become worthless.

16. Debt-Oriented Real Estate Investment Risks Generally

The Funds will invest in CMBS and other real estate-related debt investments. Any deterioration of real estate fundamentals generally, and in the U.S. in particular, could negatively impact the performance of the Funds by making it more difficult for portfolio companies or issuers to satisfy their debt payment obligations, increasing the default risk and making it more difficult for the Funds to generate attractive risk-adjusted returns. Changes in general economic conditions will affect the creditworthiness of portfolio companies and the value of the underlying real estate collateral relating to a Fund's investments.

17. Discounts to Par Value

A Fund's investment strategy with respect to certain investments may be based upon the premise that real estate loans, debt instruments or participation interests related thereto that are otherwise performing may from time to time be available for purchase by such Fund at "discounted" rates or at "undervalued" prices. Purchasing debt instruments and other interests at what may appear to be "undervalued" or "discounted" levels is no guarantee that these investments will generate attractive risk-adjusted returns to such Fund or will not be subject to further reductions in value. No assurance can be given that real estate loans or participation interests can be acquired at favorable prices, that such loans or participation interests will not default or that the market for such interests will continue to improve. In addition, there can be no assurance that the market conditions for investing in real estate-related debt instruments may not deteriorate further, which could have an adverse effect on the performance of a Fund's investments. While each Fund performs due diligence in connection with each of its investments, there may be an increased risk that the documentation relating to an investment in real estate loans may contain a material misstatement, omission or misrepresentation, which may be relied upon by such Fund and adversely affect the performance of such investment.

18. Use of Leverage

Northwood expects to utilize significant leverage in connection with the Funds' investments. Although investments in leveraged companies offer the opportunity for capital appreciation and Northwood will seek to use leverage in a manner it believes prudent, such leverage will increase the exposure of investments to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the investment. Borrowings have the potential to diminish returns (or increase losses on capital) to the extent overall returns are less than the cost of funds. As a general matter, the presence of leverage can accelerate losses.

The extent to which clients use leverage may, among others, have the following consequences: (i) greater fluctuations in the net asset value of assets; (ii) use of cash flow (including capital contributions) for debt service, distributions, or other purposes; (iii) to the extent that revenues are required to meet principal payments, clients may be allocated income (and therefore tax liability) in excess of cash distributed; and (iv) in certain circumstances, clients may be required to dispose of investments at a loss or otherwise on unattractive terms in order to service its debt obligations or meet its debt covenants. There can be no assurance that clients will have sufficient cash flow to meet debt service obligations. As a result, exposure to foreclosure and other losses may be increased due to the illiquidity of its investments.

In addition, the batching of capital calls may amplify the magnitude of potential defaults by a Fund's limited partners 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 a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of liquidity constraints on a Fund's limited partners and/or limited partners facing similar capital calls in multiple funds and being unable to satisfy all such demands simultaneously. Finally, the existence of a subscription facility may impair a limited partner's ability to transfer its interest in the Fund as a result of restrictions imposed on such transfers by the lender.

19. Recycling & Reinvestment

For limited partners in the Funds with a remaining investable commitment allocation, proceeds distributable (or previously distributed) to such limited partner may be retained and reinvested (or recalled for reinvestment) by the General Partner or used (or recalled for use) by such General Partner for any purpose permitted under the applicable limited partnership agreement. Accordingly, a limited partner may be required to fund an aggregate amount more than its capital commitment during the term of its investment in a Fund, and to the extent such recalled or retained amounts are reinvested in portfolio investments, such partner will remain subject to investment and other risks associated with such portfolio investments.

In addition to the opportunities already provided by the limited partnership agreement, limited partners may, with the General Partner's approval, have the opportunity to manage their investable commitment allocations to appropriately address the impact of recycling.

20. Risks of Non-U.S. Investments

The Funds will make certain investments outside of the United States, subject to certain diversification limitations articulated in the Funds' governing fund documents. Investments in real estate and real estate-related businesses outside the United States involve risk factors not typically associated with investing in real estate-related investments in the United States, including currency fluctuations, possible imposition of withholding or other taxes on income or gains from the investments, economic risks and political risks. While Northwood intends to minimize exposure to these risks, there can be no assurance such risks will not adversely affect the Funds' investments.

21. Legal, Tax and Regulatory Risks

Clients must comply with various legal requirements, including those imposed by securities, tax and pension laws. Any changes in such laws could materially impact investment returns.

22. Regulatory Proposals with Respect to Private Funds and Investment Advisers

In recent years, the SEC's stated examination priorities and published observations from examinations have included, among other things, private equity firms' collection of fees and allocation of expenses, their marketing and valuation practices, allocation of investment opportunities, terms agreed in side letters and similar arrangements with investors, consistency of firms' practices with disclosures, handling of material non-public information and insider trading, purported waivers or limitations of fiduciary duties and the existence of, and adherence to, policies and procedures with respect to conflicts of interest.

In early 2022, the SEC proposed several new rules and amendments to existing rules under the Advisers Act specifically related to registered advisers and their activities with respect to private funds (including amendments to Form PF). Among these proposals, the SEC has proposed to limit circumstances in which a fund manager can be indemnified by a private fund; prohibit certain types of clawback provisions; increase

reporting requirements (including in reduced timeframes) by private funds to investors concerning performance, fees and expenses and to the SEC regarding certain transactions and other fund and portfolio events and information; require registered advisers to obtain an annual audit for private funds and also require such fund's auditor to notify the SEC upon the occurrence of certain material events; enhance requirements, including the need to obtain a fairness opinion and make certain disclosures, in connection with adviser-led secondary transactions; prohibit advisers from engaging in certain practices, such as, without limitation, charging private fund clients fees for unperformed services or fees and expenses associated with an examination; and impose prohibitions on certain types of preferential treatment of investors in private funds via side letters or other arrangements with an adviser and new disclosure requirements for all other types of preferential treatment.

In May of 2022, the SEC proposed amendments to rules and reporting forms to promote consistent, comparable, and reliable information for investors concerning investment advisers' incorporation of environmental, social, and governance (ESG) factors (the "ESG Proposed Rule"). The ESG Proposed Rule seeks to categorize certain types of ESG strategies broadly and require advisers to both provide census type data in Form ADV Part 1A and provide more specific disclosures in adviser brochures based on the ESG strategies they pursue.

In February 2023, the SEC proposed extensive amendments to the Custody rule for SEC-registered investment advisers. If adopted, the amendments would require, among other things, Northwood to: obtain certain contractual terms from each advisory client's qualified custodian; document that privately-offered securities cannot be maintained by a qualified custodian; and promptly obtain verification from an independent public accountant of any purchase, sale or transfer of privately-offered securities. The amendments also would apply to all assets of a client, including real estate and other assets that generally are not considered securities under the federal securities laws. If adopted, these amendments could expose registered investment advisers to additional regulatory liability, increase compliance costs, and impose limitations on our investing activities.

The scope and timing of any final rules and amendments with respect to these proposals is unknown. If adopted, even with modification, these rules and amendments would be expected to significantly increase compliance burdens and associated regulatory costs and complexity and reduce the ability to receive certain expense reimbursements or indemnification in certain circumstances. This, in turn, would be expected to increase the need for broader insurance coverage by fund managers and increase the costs and expenses charged to the Funds and their investors. In addition, these amendments could increase the risk of exposure of Northwood to additional regulatory scrutiny, litigation, censure and penalties for noncompliance or perceived noncompliance, which in turn would be expected to adversely (potentially materially) affect Northwood's reputation, and to negatively impact such entities in conducting business (thereby materially reducing returns to Fund investors). Further, as described above, as these amendments could impose limitations regarding preferential treatment of investors in private funds, Northwood and their affiliates could potentially be prohibited from complying with certain side letter provisions and thereby deprive the Fund investors of the previously negotiated benefits of such agreements.

23. Role of the General Partners, Northwood and their Professionals

Investors in the Funds place their entire commitments in the discretion of, and are dependent upon the skill and experience of, Northwood under the leadership of Mr. Kukral, Mr. Profenius and certain other Northwood key executives. The success of the Funds will depend in part upon the skill and expertise of Northwood's investment professionals and the management of portfolio companies. The interests of these professionals in Northwood and the carried interest should tend to discourage them from withdrawing from participation in the Funds' investment activities. However, there can be no assurance that such professionals

will continue to be associated with Northwood throughout the life of the Funds and a loss of the services of key personnel could impair Northwood's ability to provide services to the Funds.

24. Cybersecurity Risk

Cybersecurity incidents, cyber-attacks, denial of service attacks, ransomware attacks and social engineering attempts (including business email compromise attacks) have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future (including as a consequence of the COVID pandemic and the increased frequency of virtual working arrangements). There have been a number of recent highly publicized cases involving the dissemination, theft and destruction of corporate information or other assets, as a result of a failure to follow procedures by employees or contractors or as a result of actions by a variety of third parties, including nation state actors and terrorist or criminal organizations. Northwood, the Funds, their portfolio companies, their service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions, and their operations rely on the secure access to, and processing, storage and transmission of confidential and other information in their systems and those of their respective third-party service providers. These information, technology and communications systems are subject to a number of different threats or risks that could adversely affect Northwood, the Funds, the limited partners and the portfolio companies. For example, Northwood's and its portfolio companies' information and technology systems may be vulnerable to damage or interruption from computer viruses or other malicious code, ransomware attacks, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes, typhoons, earthquakes, wars, terrorist attacks and other similar events. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of Northwood's, the Funds', their portfolio companies', or their respective service providers' systems to disclose sensitive information in order to gain access to Northwood's, the Funds' or the portfolio companies' data or that of the limited partners. There also have been several publicized cases where hackers have requested ransom payments in exchange for not disclosing client or customer information or restoring access to information technology or communications systems. Measures designed to manage risks relating to these types of events cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for longer periods of time. If these systems are compromised, become inoperable for extended periods of time or cease to function properly, a Fund and/or portfolio company may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Northwood's, a Fund's and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). A cybersecurity incident could have numerous material adverse effects, including on the operations, liquidity and financial condition of a Fund. Cybersecurity incidents and cyber-attacks could cause financial costs from the theft of Fund assets (including proprietary information and intellectual property) as well as numerous unforeseen costs including, but not limited to litigation costs, costs of responding to regulatory inquiries, settlement costs, compliance costs, preventative and protective costs, remediation costs and costs associated with reputational damage, any one of which, could be materially adverse to a Fund. Such a failure could harm Northwood's, a Fund's and/or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims and otherwise affect its business and financial performance. The service providers of Northwood and the Funds are subject to the same electronic information security threats as Northwood. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of a Fund and personally identifiable information of its limited partners may be lost or improperly accessed, used or disclosed.

25. Material, Non-Public or Price Sensitive Information

By reason of their responsibilities in connection with their permitted other activities, Northwood and its affiliates may acquire confidential or material non-public or price sensitive information and therefore be restricted from initiating transactions in certain securities on behalf of a Fund and / or on behalf of other funds or accounts. It should also be noted that if a portfolio company of a Fund (or a portfolio company of any Other Fund (as defined below)) acquires confidential or material non-public or price sensitive information and is therefore restricted from initiating transactions in certain securities, then such Fund also may become restricted. Disclosure of such information to Northwood's personnel responsible for the affairs of a Fund may occur, and such Fund may not be free to act upon any such information. Due to these restrictions, a Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell a portfolio investment that it otherwise might have sold. Conversely, a Fund may not have access to material non-public information in the possession of Northwood which might be relevant to an investment decision to be made by such Fund, and such Fund may initiate a transaction or sell a portfolio investment which, if such information had been known to it, may not have been undertaken

26. Potential Conflicts of Interest

Investors and clients should be aware that there will be occasions when Northwood and its affiliates encounter potential conflicts of interest in connection with its advisory business. On any issue involving conflicts of interest, Northwood will be guided by its good faith judgment as to clients' best interests. If any matter arises that Northwood determines, in its good faith judgment, constitutes an actual conflict of interest, it will take such actions as may be necessary or appropriate to mitigate the conflict in a manner consistent with its fiduciary duty.

27. Capital Calls and Use of Subscription Lines

The use of a subscription facility (or other long-term leverage) may present conflicts of interest as a result of certain factors, including that typically interest will accrue on any such outstanding borrowings at a rate lower than the rate of the preferred return, that the preferred return does not begin to accrue upon the incurrence of such borrowings, and that, except for borrowings that remain outstanding for an extended period of time (generally 90 days), the preferred return only begins to accrue on the date of capital contribution by limited partners to a Fund (i.e., the due date for the drawdown notice). As a result, the use of a subscription facility (or other long-term leverage) with respect to investments and ongoing capital needs of the Funds may reduce or eliminate the preferred return received by the limited partners and accelerate or increase distributions of carried interest to the applicable General Partners, providing such General Partners with an economic incentive to fund investments and ongoing capital needs of the Funds through subscription facilities (or other long-term borrowings) in lieu of capital contributions and to make distributions prior to repayment of such outstanding borrowings. Subject to the limitations in the Funds' limited partnership agreements, the use of a subscription facility (or other long-term leverage) by a Fund is within the applicable General Partner's discretion.

28. Valuation Matters

There is no established market for private investment partnership interests, and there may not be any comparable companies for which public market valuations exist. Because there is significant uncertainty as to the valuation of illiquid investments, the values of such investments may not necessarily reflect the values that could actually be realized by the Funds, and the difference could be material. Under certain conditions the Funds may be forced to sell investments at lower prices than they had expected to realize or defer – potentially for a considerable period – sales that they had planned to make. In addition, under limited circumstances, Northwood may not have access to all material information relevant to a valuation analysis

with respect to an investment. As a result, the valuation of the Funds' investments, and as a result the valuation of the interests themselves, may be based on imperfect information and is subject to inherent uncertainties.

The fair value of all investments or of property received in exchange for any investments will be determined by Northwood in accordance with the governing fund documents. The valuation of such investments will be determined by Northwood in accordance with its formally adopted procedures and the governing fund documents.

29. Effect of Carried Interest

The existence of carried interest may create an incentive for Northwood to make investments that are riskier and more speculative than would be the case in the absence of such performance-based compensation although the significant financial commitment to the Funds by Northwood and its affiliates should tend to reduce this incentive.

30. Other Fees

Except as set forth in *Item 5: Fees and Compensation*, the limited partners will not receive the benefit of certain fees received by Northwood and their affiliates from investments in connection with the purchase, monitoring or disposition of such investments or in connection with unconsummated transactions (e.g., transaction, directors', consulting, management, investment banking, closing, topping, break-up and other similar fees). Investors should note that the Funds' share of both fees paid to or received by Northwood or its affiliates in connection with investments or unconsummated transactions and property management fees is calculated after giving effect to the expenses of Northwood and such affiliates in connection with the transactions out of which such fees arose. Such expenses include, among other things, incentive compensation and profit participation paid to or received by employees of such affiliates in connection with such transactions, which amounts may be material. For purposes of determining any management fee offsets, any other fees that otherwise result in an offset will, before being allocated among the applicable General Partners and the limited partners, first be allocated among the Funds, any vehicle through which Northwood or its affiliates participate with respect to its co-investment rights, and any co-investment vehicle invested in such investment (in each case regardless of whether any such fund or vehicle pays a different or no management fee to Northwood).

31. Allocation of Expenses

In the ordinary course of business, Northwood, the Funds and/or any co-investment vehicles or portfolio companies receive products or services from third parties (including those related to consummated or unconsummated investments and those related to sourcing of investments), the costs and expenses of which are allocable (in whole or in part) between or among Northwood and/or such funds, vehicles and/or portfolio companies.

Northwood generally will seek to allocate such expenses among those parties in the manner prescribed by the applicable governing agreements for the Funds and such other vehicles and/or portfolio companies, and in cases where costs and expenses are properly allocable between or among multiple parties, the allocation would be done in a manner that Northwood considers to be fair and reasonable, taking into account factors such as the actual or estimated relative benefits to each applicable party of the expense-generating item (which may include consideration of the relative positions sizes in an expense-generating investment).

A conflict of interest could arise in Northwood's determination whether certain costs or expenses that are incurred in connection with the operation of the Funds meets the definition of partnership expenses for

which the Funds are responsible, or whether such expenses should be borne by Northwood. The Funds will be reliant on the determinations of Northwood in respect of this analytical process, part of which is likely to involve making subjective determinations, and Northwood is conflicted in making such determinations. From time to time, it is possible that subsequent review of allocations could result in an identification of expenses that should have been allocated in a different manner, in which case measures would, as a general matter, be undertaken to correct such circumstance, which might include a reversal of the original expense allocations, if possible, or such other equitable adjustment determined by Northwood, in its discretion, to be the most appropriate corrective measure. There can be no assurance that allocation errors will not arise or that corrective measures will be possible in all circumstances.

32. Allocation of Investment Opportunities

Northwood expects, from time to time, to be presented with other investment opportunities that fall within the investment objectives of the NREP Funds, Northwood Europe and any other fund, vehicle or account sponsored or managed by Northwood (an “Other Fund”), and, in such circumstances, Northwood will allocate such opportunities among the NREP Funds, the Europe Fund and such Other Fund on a basis that it reasonably determines in good faith to be fair and reasonable taking into account all factors Northwood deems relevant, including the sourcing of the transaction, the nature of the investment focus of each such other investment fund, the relative amounts of capital available for investment, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals, any requirements contained in the governing documents of such other funds and other considerations deemed relevant by Northwood in good faith.

Investors should note that Northwood may establish other funds with investment objectives, mandates and policies that are substantially similar to those of the NREP Funds. As the NREP Funds have reached “full investment” (as defined in the limited partnership agreements of the NREP Funds), the limitations set forth in the NREP Funds’ limited partnership agreements in respect of competing funds no longer apply, and any Other Fund will not be treated as a competing fund.

In April 2017, Northwood entered into a definitive agreement with an institutional investor for a core/core-plus Separate Account mandate to advise on U.S. retail and office investments. The Separate Account mandate is non-discretionary and will target investments with a significantly lower cost of capital and longer hold periods than those of the Funds (thereby making them inappropriate for the Funds). Northwood may allocate investment opportunities to the Separate Account mandate based on the anticipated targeted returns or projected hold periods based solely on Northwood’s expectations at the time such investments are made. However, there can be no assurance that the actual returns from such investments will be in line with such targets or that the investments will be held for the projected hold period, and such investments may as a result prove to have been suitable for the Funds. Furthermore, although not expected, in the event that Northwood identifies investment opportunities that fall within the common objectives and guidelines of the Funds and the Separate Account mandate, such investment opportunities will generally be allocated among the Funds and the Separate Account mandate in accordance with the foregoing paragraphs.

33. Allocation of Personnel

Northwood and its affiliates will devote as much of their time to the activities of the Funds as shall be reasonably necessary to conduct the business affairs of the Funds in an appropriate manner. In addition, Northwood personnel routinely work on other projects, including Other Funds. Such personnel also may serve as members of the boards of directors of various entities other than portfolio companies. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of Northwood and its affiliates and their officers and employees will not be devoted exclusively to the business

of the Funds but will be allocated between the business of the Funds and the management of the Other Funds.

34. Hedging Policies / Risks

In connection with the acquisition, holding, financing, refinancing or disposition of certain portfolio investments, the Funds may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices, and currency exchange rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Funds may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, or currency exchange rates may result in a poorer overall performance for the Funds than if it had not entered into such hedging transactions. The General Partner may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills that are separate from the skills used in selecting and monitoring investments.

35. Derivatives

The Funds may invest in certain kinds of derivative instruments (e.g., CMBX, options contracts, futures contracts, options on futures contracts, forward contracts, interest rate swaps, total return swaps, credit default swaps and other swap agreements). Investing in derivative instruments presents various risks, including lack of liquidity and risks of purchasing outside of an exchange. Derivative instruments, especially when purchased in large amounts, may not be liquid in all circumstances, so that in volatile markets the Funds may not be able to close out a position without incurring a loss. The use of derivative instruments involves investment risks and transaction costs to which the Funds would not be subject absent the use of these instruments. The prices of derivative instruments, including swaps, futures, forwards and options, are highly volatile and such instruments may subject the Funds to significant losses. The value of such derivatives also depends upon the price of the underlying instrument or commodity. Such derivatives and other customized instruments are also subject to the risk of non-performance by the relevant counterparty. In addition, actual or implied daily limits on price fluctuations and speculative position limits on the exchanges or over-the-counter markets in which a Fund may conduct its transactions in derivative instruments may prevent prompt liquidation of positions, subjecting such Fund to the potential of greater losses. Derivative instruments that may be purchased or sold by a Fund may include instruments not traded over-the-counter or on an exchange. The risk of nonperformance by the obligor on such an instrument may be greater and the ease with which a Fund can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument. In addition, significant disparities may exist between “bid” and “asked” prices for derivative instruments that are traded over-the-counter and not on an exchange. Such over-the-counter derivatives are also subject to types and levels of investor protections or governmental regulation that may differ from exchange traded instruments.

36. Investing in Different Parts of the Capital Structure of the Same Issuer

In the event that a Fund invests in a portfolio company in which an Other Fund, or a portfolio company thereof, has made or is concurrently making a different principal investment (e.g., in different parts of the capital structure), such funds and/or portfolio company will likely have conflicting interests (e.g., over the terms of their respective investments and with respect to the timing of dispositions). In such cases, actions may be taken for the benefit of a Fund that may be adverse to the Other Fund, and vice versa. In connection with such shared investments, Northwood will generally seek to implement certain procedures to mitigate such conflicts of interest, including, when appropriate, causing the relevant fund to recuse itself from participating in any decisions related to equity or debt securities and/or other obligations held by the other

fund, including in each case with respect to actions and/or decisions with respect to defaults, foreclosures, workouts, restructurings and/or exit opportunities.

C. Material Risks of Investing in a Particular Type of Securities

See Item 8.B. above.

Item 9: Disciplinary Information

Since its inception, neither Northwood nor any supervised person has been involved in any legal or disciplinary event that would be material to a client or investor's evaluation of Northwood or its services.

Item 10: Other Financial Industry Activities and Affiliations

A. Broker-dealer Registration

Neither Northwood nor any of its management persons is registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator or a Commodity Trading Advisor

Neither Northwood nor any of its management persons is registered or has an application pending to register as a futures commission merchant, commodity pool operator or a commodity trading advisor.

C. Material Relationships

Northwood's material relationships with the following types of related persons are described below:

- 1. Broker-dealer, municipal securities dealer or government securities dealer or broker.**
None.
- 2. Investment companies or pooled investment vehicles**
None.
- 3. Other investment advisor or financial planner**
None.
- 4. Futures commission merchant, commodity pool operator, or commodity trading advisor**
None.
- 5. Banking or thrift institution**
None.

6. Accounting or accounting firm

None.

7. Lawyer or law firm

None.

8. Insurance company or agency

None.

9. Pension consultant

None.

10. Real estate broker or dealer

None.

11. Sponsor or syndicator of limited partnership

Northwood organizes and sponsors the Funds, which are private investment companies. These pooled investment vehicles managed by Northwood are controlled by affiliated General Partner entities (“GP Entities”). Northwood or the GP Entities will be responsible for all decisions regarding portfolio transactions of the Funds and have full discretion over the management of the Funds’ investment activities. Northwood and the GP Entities generally share common owners, officers, partners, employees, or persons occupying similar positions.

D. Other Investment Advisors

Northwood does not recommend or select other investment advisors for its clients.

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

A. Code of Ethics

Northwood has adopted a written Code of Ethics (the “Code”) designed to identify and mitigate potential conflicts of interest, as required under Rule 204A-1 of the Investment Advisers Act of 1940.

This rule requires Northwood to adopt a code of ethics that sets forth a standard of business conduct reflecting the fiduciary obligations of Northwood and its supervised persons.

Northwood’s Code requires, among other things, that employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, investors, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;

- Place the integrity of the investment profession and the interests of clients above their own personal interests;
- Adhere to the fundamental standard that employees should not take inappropriate advantage of their position;
- To the extent practicable, avoid or disclose any conflicts of interest that are material to investors and clients;
- Conduct all personal securities transactions in a manner consistent with the Code;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect favorably on employees and the profession; and
- Abide by the requirements contained in the Investment Advisers Act of 1940, as amended, and rules thereunder, as well as applicable provisions of the securities laws.

Northwood's Code prohibits employees from trading in certain securities and also requires employees to: (1) pre-clear certain personal securities transactions; (2) report personal securities transactions on at least a quarterly basis; and (3) provide Northwood with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest.

B. Securities in Which Northwood or a Related Person has a Material Financial Interest

Due to its relationship with the Funds' and CMBS Funds' General Partners and underlying financial interests, Northwood effectively recommends to clients, or buys or sells for client accounts, securities in which it has a material financial interest.

C. Investments by Northwood and Related Persons in the Same Securities Recommended to Clients

Northwood and its affiliated General Partners have material investments in the Funds and CMBS Funds. Therefore, Northwood is considered to participate in transactions effected for the Funds and CMBS Funds. Northwood does not believe this arrangement presents any material conflict of interest since Northwood's interests and its employees' interests are aligned with those of Northwood's investors.

D. Simultaneous Purchases and Sales of Securities by Clients and Northwood or a Related Person.

See Item 11.C. above.

Item 12: Brokerage Practices

A. Selecting or Recommending Broker-Dealers for Client Transactions

Northwood primarily invests in privately negotiated real estate transactions, with the brokerage terms of such transactions largely influenced by the counterparty and the availability of brokers capable of successfully executing such transactions. Northwood seeks to execute transactions in the best interest of the participating Funds and CMBS Funds, considering various factors such as the size, competence, and availability of brokers in addition to cost.

The Funds and client accounts do not typically engage in securities trading, with the limited exception of CMBS Funds, but have done so in the past and may do so again in the future. To the extent Northwood selects a broker or dealer with respect to securities transactions, each executing broker or dealer will be selected on the basis of best execution of transactions. Northwood may use unaffiliated brokers, which are selected on the basis of: (i) the reasonableness of such brokers' commissions relative to others offering similar services; and (ii) the ability of such brokers to obtain best execution. Not all portfolio transactions require or involve a broker-dealer. When it is deemed necessary or appropriate to involve a broker-dealer in portfolio transactions for the Funds, such transactions will be allocated to brokers and dealers on the basis of Northwood's best execution policies. The factors considered in selecting and approving brokers-dealers that will be used to execute trades for a Funds accounts include, but are not limited to: (i) the reasonableness of the broker-dealer's commissions relative to others offering similar services; (ii) the ability of such broker-dealer to execute a transaction efficiently and appropriately; (iii) the broker-dealer's general expertise and background; (iv) the type and size of the transaction involved; (v) the stability or solvency of the service provider or counterparty; (vi) settlement capabilities; (vii) time required to complete the role sought; and (viii) research services or any arrangements relating to overall performance in the best interest of the client.

1. Research and Other Soft Dollar Benefits

Northwood accepts only proprietary research from the brokers and does not enter into any formal soft dollar arrangements whereby it receives research or any other benefit from third parties. Research services received from brokers and dealers are supplemental to Northwood's own research effort. To the best of Northwood's knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. Northwood does not separately compensate such broker-dealers for the research and does not believe that it "pays-up" for such broker-dealers' services due to the difficulty associated with the broker-dealers not breaking out the costs for such services.

2. Brokerage for Client Referrals

Northwood does not currently receive referrals of prospective investors from brokers or other third parties.

3. Directed Brokerage

Northwood does not direct brokerage in exchange for referrals from broker-dealers.

B. Aggregating Purchase and Sale of Securities for Various Client Accounts.

There are limited circumstances under which Northwood would engage in transactions for publicly traded securities on a public exchange. In such instances, orders for the same security entered on behalf of more than one client would generally be aggregated (i.e., blocked or bunched) subject to the best interests of any participating clients. Each client participating in aggregated order would receive the average price and pay a pro-rata portion of commissions and any other expenses associated with the transaction.

Item 13: Review of Accounts

A. Periodic Review of Accounts

Northwood's investment professionals source, manage, and dispose of the Funds' real estate investments. Northwood's Investment Committee generally meets weekly to review and approve potential investment opportunities, as well as disposition strategies for existing investments. The Property Management Affiliates are responsible for overseeing the day-to-day operations and management of investments with respect to which they have been engaged and are in regular contact with Northwood investment professionals and members of the Investment Committee regarding the business plans for the investments.

B. Review Triggers

Northwood investment professionals and the Property Management Affiliates review investments on a continuous basis.

C. Reports to Clients

The Funds

The investors in the Funds receive unaudited financial statements quarterly, audited financial statements annually, and such other information as is necessary for the preparation of tax returns.

The Funds hold a combined annual meeting of investors to review the status of the Funds and their investments.

Northwood also distributes special information to investors upon request. The content and format of these special requests varies based on the request. Certain investors have the right to obtain, or may request, information relating to a Fund or CMBS Fund and, to the extent such information is readily available or may be obtained without unreasonable effort or expense, Northwood generally will provide such investors with the requested information. Northwood accommodates such requests as long as it does not provide the requesting investor with an actionable information advantage over other limited partners.

Separate Account

Northwood and the owners of the Separate Account have agreed to the form and frequency with which reporting is provided. This is agreed to in a written advisory agreement and/or supplementary documents drafted at the outset of the advisory relationship.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits for Providing Investment Advice or Other Advisory Services

1. Discounted Rates

Under certain circumstances, Northwood, its employees, and affiliates may receive discounts on the use of assets owned by the Funds. For example, a Northwood employee may be able to stay at a Fund-owned hotel property at a discounted rate. Discounted rates are similar to those that would be available to employees of the property. Further, discounts are only offered opportunistically, based on room availability after meeting the demand of full fee-paying guests.

2. Occupancy of Fund-Owned Assets

There are instances where Northwood, or a Northwood affiliate, may occupy office space within a Fund-owned office building. While this arrangement could be viewed as a conflict, Northwood does not believe it is as any space occupied by Northwood or an affiliate is paid for by Northwood, not the Funds, and is billed at a rate consistent with those charged to unaffiliated occupants.

B. Compensation for Client Referrals

Northwood occasionally compensates third parties for the referral of clients and uses one or more placement agents for introductions to new Fund investors. Fees paid to placement agents, to the extent borne by limited partners in a Fund, are applied as a 100% offset to the management fees payable by such Fund to Northwood. From time to time, Northwood also compensates such third parties and/or placement agents, as applicable, for the referral of clients to the Separate Account. Fees paid to such third parties and/or placement agents do not offset the management fee payable by the owners of the Separate Account to Northwood.

Item 15: Custody

As Northwood sponsors the Funds and its affiliates serve as the General Partners to the Funds, Northwood is deemed to have custody of client assets.

Northwood's investments are primarily physical assets in the form of buildings or land. The ownership of such assets is typically perfected through legal documents filed with government agencies in the relevant jurisdictions where the structures are located. Such legal documents are not required to be held by a qualified custodian. Northwood is deemed to have custody of cash and securities, both of which are held by an independent, qualified custodian.

To comply with the reporting requirements of Rule 206(4)-2 and to provide meaningful protection to investors, each Fund is subject to an annual audit by an independent, PCAOB-registered public accountant. Northwood distributes GAAP-compliant audited financial statements to its investors within 120 days of the end of its fiscal year. To date, Northwood has never had a qualified opinion to its audits or had a restatement of its financial statements.

Northwood does not have custody over the Separate Account and the entities associated with that relationship are subject to an annual audit by an independent, PCAOB-registered public accountant.

Item 16: Investment Discretion

Northwood provides investment advice to the Funds on a discretionary basis. An affiliate of Northwood, usually the General Partner, accepts discretionary investment authority for each Fund. Generally, this discretion is subject only to the investment guidelines set forth in the governing fund documents.

Northwood provides investment advice to the Separate Account on a non-discretionary basis.

Item 17: Voting Client Securities

To the extent clients hold any voting securities, Northwood has the sole authority to direct the voting of such securities. In every instance, Northwood would vote such interests in the best economic interests of the client beneficially owning the voteable securities. When voting securities, Northwood considers relevant facts, which include, among many others, the impact on the value of the securities, the anticipated economic and non-economic costs and benefits associated with a proposal, the effect on liquidity, and customary industry and business practices. Northwood may decline to vote proxies if it determines that the cost of voting the proxy exceeds the expected benefit to clients. Clients and investors will be provided a copy of Northwood's proxy voting policies and procedures upon request.

Item 18: Financial Information

Northwood does not require or solicit prepayment of fees six months or more in advance and is not subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to provide on-going advisory services to clients.