

FIRM BROCHURE
(PART 2A OF FORM ADV)



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This Firm Brochure (this “Brochure”) provides information about the qualifications and business practices of Davis Investment Ventures, LLC (“DIV” or “Davis” or the “Company”). Additional information about DIV is also available on the SEC's website at <http://www.adviserinfo.sec.gov/>.

If you have any questions about the contents of this Brochure, please contact Robert Kubica at 617-451-1300 or by email at rkubica@thedaviscompanies.com.

The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “SEC”) or by any state securities authority, and references in this Brochure to DIV as a “registered investment adviser” are not intended to imply a certain level of skill or training.

ITEM 2 – MATERIAL CHANGES

DIV filed its last annual update to this Brochure on March 30, 2022. As part of this annual update, DIV has made certain non-material clarifying revisions to the disclosure contained herein.

In 2022, DIV commenced fund raising for its fifth real estate investment fund, Davis Investment Ventures Fund V, which consists of three parallel funds: Davis Investment Ventures Fund V, L.P., Davis Investment Ventures Fund V-A, L.P. and Davis Investment Ventures Fund V-B, L.P. (collectively, “Fund V”). Fund V’s initial close was on August 15, 2022.

In November 2022, DIV hired Leslie Cohen as Chief Operating Officer. Additionally, Ravi Ragnauth, DIV’s former Chief Financial Officer and Chief Compliance Officer, left DIV to pursue another opportunity. Josh Israel was promoted to Chief Financial Officer and Robert Kubica assumed the role of Chief Compliance Officer upon Mr. Ragnauth’s departure.

In December 2022, Richard McCready, DIV’s former Co-President, retired. Upon Mr. McCready’s retirement, Stephen Davis became the sole President.

Please review this Brochure carefully and in its entirety.

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ITEM 4 – ADVISORY BUSINESS

Item 4.A	<p>Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).</p> <p><u>Description of Advisory Firm</u></p> <p>Davis Investment Ventures, LLC (“DIV” or “Davis” or the “Company”), doing business as The Davis Companies, is a Boston based private equity real estate investment firm and became a SEC registered investment adviser effective March 28, 2012. DIV provides investment management services to one or more commingled private real estate investment funds (collectively, the “Funds” or “Advisory Clients”) sponsored by affiliates of DIV that serve as general partners of the Funds (collectively, the “General Partners”). All references to DIV in this brochure are intended to include the General Partners except where specifically noted otherwise.</p> <p>The investment objective of each Fund is to generate investment returns primarily through opportunistic investing in a diversified portfolio of U.S. private real estate debt and equity transactions, with a limited portion potentially invested in marketable real estate securities such as equity securities of real estate investment trusts (REITs) and commercial mortgage-backed securities. In connection with structuring the Funds’ investments, DIV has formed, and from time-to time will form as deemed appropriate, certain limited partnerships, limited liability companies and corporations (commonly referred to in the industry as “blockers,” “special purpose vehicles,” and/or “alternative investment vehicles”), for tax-efficiency, regulatory and/or other purposes. All references to the “Funds” or “Advisory Clients” in this Brochure are intended to include references to such related investment vehicles.</p> <p>DIV is organized as a limited liability company, and its headquarters reside at 125 High Street #2111, Boston, MA 02110. The majority of investment advisory related activities and compliance program administration are primarily handled within this office. DIV also maintains office locations at 55 Fifth Ave New York, NY 10003.</p> <p><u>Management Team and Principal Owners</u></p> <p>Founded in 1976, Davis has a history of more than 40 years of successfully investing, managing and developing real estate for its own account and on behalf of private and institutional investors. A fully integrated, hands-on operating company, Davis has strong investment, management, leasing, development, and loan servicing/workout capabilities. The Company’s founder and CEO, Jonathan Davis, has been continuously involved in the company’s operations since inception and remains active in developing strategy and overseeing management and deal execution.</p> <p>DIV, and its affiliated management company, Davis Management Company, LLC (“DMC”), is principally owned by Jonathan Davis and his Family Trust.</p> <p>The Fund business is managed by a group of professionals that include Davis’ senior executive team, consisting of several members who have significant real estate experience (the “Davis Principals”).</p> <p>Davis believes that it has a competitive advantage derived from the combined expertise, experience and relationships of not only these Davis Principals but also the broader Davis team that comprises its integrated platform of investment, asset management and development professionals. This team of investment professional works collaboratively across divisions to identify trends, source investment opportunities and optimize returns through multi-disciplinary execution, capital structuring and advantageously timed exits.</p>
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	<p>As part of this strategy of integrated investment execution, Davis has arranged members of its real estate investments, asset management and development/construction divisions into three internal teams that primarily focus, respectively, on each of its three major investment themes: life sciences/high intellectual value-added workplaces; industrial/distribution and storage; and multifamily. This highly collaborative approach fosters unique expertise and insight into each of these asset classes and enables the Company to synthesize the planning and execution processes to deliver cutting edge product to a rapidly changing marketplace, taking into consideration real time data as to what is valued by the users of space. Davis' investment approach involves an envisioning of where new high demand markets and submarkets will emerge and/or execution of adaptive re-use and development strategies, all of which are areas of strength bolstered by Davis' vertically integrated team. This integrated platform also provides opportunities to acquire real estate assets at prices that are below their intrinsic value, often resulting from inefficiencies in the sale process, complicated transaction structures, out of favor property types, assets that require multi-layered problem-solving and/or assets with distressed capitalization structures. Historically, Davis has sourced more than 60% of its acquisitions for prior DIV Funds via off-market, selectively marketed or failed sale processes. Additionally, as part of every investment thesis, Davis maintains consistent and unrelenting focus on the exit strategy for each investment. Davis actively seeks to identify situations where it can improve real estate and enhance property cash flows to combine with greater investor appetite for a property type, market or submarket and provide a deep group of potential buyers and a strong competitive process at the time of sale. Davis believes that this holistic approach has been central to its long history of successful real estate investing and intends to continue to employ this strategy in the investment activities of the Fund.</p> <p>Additional information relating to DIV's management can be found on Schedules A and B of the Form ADV Part 1.</p>
Item 4.B	<p>Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.</p> <p>DIV provides discretionary investment advisory services, managing and directing the investment and reinvestment of assets, for the Funds. DIV provides such services to the Funds which invest in equity and debt interests in real estate related assets and real estate operating companies.</p> <p>The Funds offer interests/shares only to certain qualified investors who are (i) U.S. investors who are (a) accredited investors within the meaning of Rule 501 of Regulation D of the Securities Act of 1933, as amended (the "Securities Act"), or (b) qualified purchasers within the meaning of Section 2(a)(51) of the Investment Company Act of 1940, as amended; (ii) non-U.S. investors, or (iii) "knowledgeable employees", as such term is defined in Rule 3c-5 of the Investment Company Act of 1940.</p> <p>Outside of providing investment management services to the Funds, DIV offers no other investment advisory services. DIV does not perform any type of financial planning, quantitative analysis, tax planning or market timing services.</p>
Item 4.C	<p>Explain whether (and, if so, how) you tailor your advisory services to the individual needs of <i>clients</i>. Explain whether <i>clients</i> may impose restrictions on investing in certain securities or types of securities.</p> <p>DIV provides investment advice to the Funds and, as such, neither tailors its advisory services to the individual needs of Funds or investors, nor accepts client-imposed</p>

	<p>investment restrictions unless documented in a side letter agreement that is approved by the CEO and President and reviewed and approved by the Chief Compliance Officer from a compliance perspective.</p> <p>Certain side letter agreements have been (and may in the future be) entered into with certain large and strategic investors in the Funds. Such arrangements may have the effect of establishing additional rights or altering or supplementing the terms of the governing documents of the applicable Fund with respect to one or more such investors in a manner more favorable to such investors than those applicable to other investors. These additional rights may include: reporting rights, advisory board participation rights, co-investment rights, liquidation rights, fee transferability rights, and/or other rights permitted as disclosed in the applicable Fund’s governing documents and in accordance with applicable law. The Funds have the flexibility to enter into additional agreements with certain large and strategic investors in connection with their admission to such Fund granting other rights without the approval of any other investor.</p> <p>Co-investment opportunities have been (and may in the future be) made available to Fund and non-Fund investors and are subject to certain investment thresholds. If such investors do not wish to take advantage of the offered opportunity, DIV may approach other investors not meeting the investment threshold or other appropriate third parties.</p>
Item 4.D	<p>If you participate in <i>wrap fee programs</i> by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.</p> <p>DIV does not participate in wrap fee programs.</p>
Item 4.E	<p>If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date “as of” which you calculated the amounts.</p> <p>Note: Your method for computing the amount of “client assets you manage” can be different from the method for computing “assets under management” required for Item 5.F in Part 1A. However, if you choose to use a different method to compute “client assets you manage,” you must keep documentation describing the method you use. The amount you disclose may be rounded to the nearest \$100,000. Your “as of” date must not be more than 90 days before the date you last updated your brochure in response to this Item 4.E.</p> <p>As of December 31, 2022, DIV managed approximately \$2,198,671,473 of Regulatory Assets Under Management on a discretionary basis. It should be noted that for the purposes of calculating Regulatory Assets Under Management and consistent with SEC guidance, DIV included all unfunded capital commitments of the Funds managed by DIV. Affiliates of Davis have previously invested or may invest in certain single asset investments outside of the Funds. As single asset investments, these investments are not considered securities and, as such, are not included as Advisory Clients for the purposes of Davis’ Form ADV.</p>

ITEM 5 – FEES AND COMPENSATION

Disclaimer applicable to all sub-items hereto: Investors in the Funds should refer to the appropriate governing documents for a complete and detailed understanding of how DIV is compensated for its advisory services. The information contained herein is a summary and is qualified in its entirety by the relevant Fund’s governing documents.

<p>Item 5.A</p>	<p>Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.</p> <p>Note: If you are an SEC-registered adviser, you do not need to include this information in a <i>brochure</i> that is delivered only to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.</p> <p>Investors and prospective investors in the Advisory Clients should refer to the Confidential Private Placement Memorandum (“PPM”), and organizational documents for the Funds for a detailed description of fees paid by the Advisory Clients to DIV. Fees are negotiable, at the discretion of DIV.</p> <p>Each investor in a Fund must meet certain eligibility provisions whereby interests/shares are generally only offered to certain qualified investors who are (i) U.S. investors who are (a) accredited investors within the meaning of Rule 501 of Regulation D of the Securities Act of 1933, as amended, or (b) qualified purchasers within the meaning of Section 2(a)(51) of the Investment Company Act of 1940, as amended; (ii) non-U.S. investors, or (iii) “knowledgeable employees”, as such term is defined in Rule 3c-5 of the Investment Company Act of 1940. Admission to the Funds managed by DIV is <u>not</u> open to the general public.</p> <p>In its sole discretion, DIV, or an affiliated entity, may from time-to-time waive or reduce (and has waived or reduced) the management fees to be paid by any Fund investor, including investors that are principals, employees or affiliates of DIV or relatives of such persons and for certain large or strategic investors.</p> <p>In addition, as described in Item 6 below, the General Partner of each Fund is entitled to receive incentive allocations in certain circumstances.</p>
<p>Item 5.B</p>	<p>Describe whether you deduct fees from <i>clients’</i> assets or bill <i>clients</i> for fees incurred. If <i>clients</i> may select either method, disclose this fact. Explain how often you bill <i>clients</i> or deduct your fees.</p> <p>For all Funds, applicable fees are described fully in the applicable PPMs, and organizational documents of Funds. DIV and/or its affiliates are paid in accordance with the relevant Fund’s governing documents, and fees are payable periodically depending on the nature of the fee as described in more detail below.</p> <p><u>Management Fees</u></p> <p>To the extent applicable, an investment management fee is payable by the Funds to DIV on a periodic basis in arrears (typically based on a percentage of a Fund’s: (i) commitments, during the investment period and (ii) invested capital (plus amounts reserved for investment), thereafter). Fund governing documents generally do not require DIV to generate an invoice; instead, the governing documents generally authorize the Funds’ General Partners to calculate the fees payable by the applicable Fund and disburse the funds from the Fund’s account to DIV.</p>
<p>Item 5.C</p>	<p>Describe any other types of fees or expenses <i>clients</i> may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that</p>

	<p><i>clients</i> will incur brokerage and other transaction costs, and direct <i>clients</i> to the section(s) of your <i>brochure</i> that discuss brokerage.</p> <p>Please refer to the governing documents of the applicable Fund for a detailed description of the expenses payable by such Fund.</p> <p>The Funds pay all third party costs and expenses incurred in developing, underwriting, originating, negotiating and structuring investments, whether consummated or not consummated, and acquiring, financing, managing, developing, disposing of or otherwise dealing with investments.</p> <p>DIV and its personnel can be expected to receive certain intangible and/or other benefits arising or resulting from their activities on behalf of the Funds that will neither be subject to an offset against any management fees payable to the Funds nor will otherwise be shared with the Funds and/or Fund properties. For example, airline travel or hotel stays incurred as Fund or account expenses typically result in cash rebates, “miles,” “points” or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not <i>de minimis</i> or difficult to value, inure exclusively to DIV and/or such personnel (and not the Funds and/or Fund properties) even though the cost of the underlying service is borne by the Funds and/or Fund properties.</p> <p><u>Organizational Expenses</u></p> <p>Certain of the Funds will bear all organizational expenses solely up to an amount capped pursuant to the respective Funds’ governing documents. Any excess organizational expenses will be borne by DIV and/or the General Partner (or equivalent thereof) of such Fund.</p> <p><u>Affiliated Service Provider Fees</u></p> <p>DIV’s affiliates perform “in house” services for the Funds’ properties. If not for such an “in house” approach, DIV or the applicable Fund’s General Partner would have had to retain one or more third party service providers for such services. In connection with such services, DIV’s affiliates receive market rate compensation and fees including without limitation, property management fees, design and construction management fees, development fees, legal fees, financing fees, and, in certain instances, leasing commissions. The fees will be used to pay overhead and expenses of DIV’s affiliates and will compensate or reimburse such affiliates for property management, development, construction management, legal, financing, leasing, and other related services. Such fees and compensation will not be shared with the Funds or their investors and will not in any manner reduce the management fees payable by the Funds.</p>
Item 5.D	<p>If your <i>clients</i> either may or must pay your fees in advance, disclose this fact. Explain how a <i>client</i> may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.</p> <p>Not applicable to DIV.</p>
Item 5.E	<p>If you or any of your 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, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.</p> <p>Not applicable to DIV.</p>
Item 5.E.1	<p>Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client’s needs. Describe generally how you</p>

	<p>address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend “no-load” funds.</p> <p>Not applicable to DIV.</p>
Item 5.E.2	<p>Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.</p> <p>Not applicable to DIV.</p>
Item 5.E.3	<p>If more than 50% of your revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.</p> <p>Not applicable to DIV.</p>
Item 5.E.4	<p>If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.</p> <p>Note: If you receive compensation in connection with the purchase or sale of securities, you should carefully consider the applicability of the broker-dealer registration requirements of the Securities Exchange Act of 1934 and any applicable state securities statutes.</p> <p>Not applicable to DIV.</p>

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

Item 6: If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.

DIV, or an affiliated entity or affiliated persons, is entitled to incentive distributions to the extent returns to investors exceed certain thresholds. The calculation for these incentive distributions is performed pursuant to the waterfalls described in a Fund's PPM and/or organizational documents. Differences in the calculation of incentive distributions for different Advisory Clients could create incentives to favor one Advisory Client over another. Potential conflicts are generally mitigated by restrictions on forming a new Fund that would compete with a prior DIV Fund for comparable investments until the prior DIV Fund is substantially invested or has had a substantial portion of its capital commitments committed/reserved for investment.

The possibility that DIV or affiliated entities or persons may receive performance-based compensation creates a potential conflict of interest in that it may create an incentive to make investments that are riskier or more speculative than in the absence of such a performance-based fee. However, the fact that all Funds pay performance-based compensation and the restrictions on raising successor competing Funds (as described above) significantly mitigate these conflicts. Additionally, DIV's investment allocation policies are designed to ensure all Funds are treated fairly and equitably in connection with investment allocations and prohibit the allocation of investments to a Fund solely on the basis that DIV or an affiliate has a higher potential to earn incentive-based compensation if the investment were made by one Fund versus another.

ITEM 7 – TYPES OF CLIENTS

Item 7: Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

The clients of DIV include the Funds. Investors in the Funds may include, but are not limited to, pension plans, insurance companies, investment banks, retail banks, corporate entities, endowments and foundations, trusts, family offices (both single and multi), high net worth individuals and “knowledgeable employees”.

Admission to the Funds managed by DIV is not open to the general public. Each investor must meet certain eligibility provisions whereby interests/shares are generally only offered to (i) U.S. investors who are (a) accredited investors within the meaning of Regulation D of the Securities Act or (b) qualified purchasers within the meaning of Section 2(a)(51) of the Investment Company Act of 1940, as amended; (ii) non-U.S. investors, and (iii) “knowledgeable employees” as such term is defined in Rule 3c-5 of the Investment Company Act of 1940.

Each of the Funds may have minimum capital commitments for investors, as specified in the applicable PPM for each respective Fund. However, the General Partner has discretion to negotiate the terms of, or waive, this provision.

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

Item 8.A	<p>Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that <i>clients</i> should be prepared to bear.</p> <p><u>Investment Strategies</u></p> <p>DIV provides advice to the Funds to invest in equity and debt real estate investment vehicles and offerings. The Funds are generally investing their assets in limited partnerships, private real estate investment trusts (“REITs”), and limited liability companies that were structured for the purpose of holding underlying real estate assets. DIV may, on behalf of the Funds, participate in joint ventures with unaffiliated third-party entities in certain real estate transactions.</p> <p>Davis believes that nimble and value-oriented investment discipline, hands-on operating skills, longstanding relationships, deep market knowledge and sophisticated transaction experience are key components to successful real estate investing across market cycles. The Fund will seek to continue the firm’s long history of acquiring assets at prices below intrinsic value where DIV’s vertically integrated platform has a competitive advantage in sourcing, underwriting, managing, repositioning and/or structuring investments.</p> <p>As described in the applicable Funds’ PPM, Davis seeks to generate returns for its Funds primarily through opportunistic investing in a diversified portfolio of U.S. private real estate debt and equity transactions, including commercial (including industrial, self-storage, Life Science / HIW / Advanced R&D), residential, office, hotel, retail properties and other emerging real estate asset classes, with a limited portion of the Fund potentially invested in marketable real estate securities such as equity securities of REITs, real estate operating companies and CMBS.</p> <p>There are several risks associated with Davis’ business, including the risk that the Funds may not achieve their investment objectives, causing investors to lose some or all of their investment. Davis relies significantly on the experience, relationships and expertise of its management team and key employees to manage the Funds’ affairs successfully and depends on its management team’s ability to identify, structure and manage investments to minimize risk throughout the investment life cycle. Throughout its 45+ years of real estate investment, development and management experience, Davis has refined its investment process with the following key attributes:</p> <div style="text-align: center; margin: 10px 0;"> <pre> graph LR subgraph "Portfolio Management, Operations, Compliance" A[Strategy Formation / Sourcing] --> B[Screening / Underwriting] B --> C[Acquisitions] C --> D[Active Management] D --> E[Exit Strategy] end </pre> </div> <p><u>Strategy Formation and Investment Sourcing</u></p> <p>DIV will continue to refine a Fund’s investment strategy and targeted asset focus based on the Company’s in-house research, real-time market perspective from its existing portfolio and information gathered from Davis’ network of market and industry participants. While Davis anticipates that the key asset class targets will remain consistent through the investment period of a Fund, the relative opportunity between sectors and markets are subject to change over the investment period and Davis believes that it is well-positioned to optimize the risk adjusted returns of the various investment Funds throughout a changing investment</p>
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landscape. Within each strategy, Davis will seek to opportunistically source investments through Davis' broad network of relationships with brokers, owner/operators, banks, special-servicers, insurance companies, partners, tenants and institutional investors, with the goal of leveraging its reputation and transaction history to acquire assets prior to a formal marketing process or after a failed sale process. Many of the opportunities that are expected to be considered for the Fund will involve overlooked or underutilized assets that are in the path of growth and likely to require some level of redevelopment, development or adaptive reuse, lease-up and management improvement. With significant expertise in loan origination, loan servicing and workouts, Davis is well positioned to opportunistically source debt investments and to pivot toward distressed investing, should market conditions so allow.

Screening

Through its weekly Investments meeting, Davis reviews hundreds of potential investment transactions per year, selecting only what it believes are the most compelling opportunities for further underwriting. At the Investments meeting, potential new investment opportunities are reviewed by the Investments team and initial feedback is provided by several senior members of the Davis team in addition to the Chief Investment Officer ("CIO"), often including the CEO, the President, the Chief Portfolio Management Officer, Chief Development Officer and the Head of Equity Capital Markets. Davis' 45+ years of experience in real estate investment, management and development yields a thorough screening process when targeting value creation opportunities, developing solutions to complex problems impairing value and understanding and evaluating risks.

Underwriting

After screening, Davis selects investments based on the perceived price-versus-value relationship of the investment and the potential to create value through Davis' integrated approach to investment execution. The team's deep understanding of the markets that Davis targets guides the underwriting process and creative thinking about the highest and best use of each target acquisition. Investments are thoroughly underwritten, with input from our Investments, Asset Management, Development, Property Management and Finance teams, in an effort to confirm that there is sufficient underlying asset value and to understand potential risks and sensitivities. For loan investments, both a performing loan analysis and a non-performing loan-to-own analysis are evaluated. Davis believes that its knowledge and ability to underwrite and navigate various paths to gain control of the underlying real estate collateral provides Davis with a strategic advantage in opportunistically originating or acquiring investments.

Due Diligence

Davis' due diligence effort brings together its vertically integrated Investments, Asset and Property Management, Development, Legal and Finance teams to quickly and thoroughly vet all underwriting assumptions prior to closing on a new acquisition in a process that involves active participation from all of Davis' senior management team. Davis' deep relationships within the leasing and investment sales brokerage communities across multiple markets are similarly leveraged to affirm market assumptions. Furthermore, Davis leverages the capabilities of its in-house Research department to provide market data and projections. All assets are physically inspected by several senior members of Davis and its due diligence team prior to making an equity commitment. Third-party experts are engaged to provide further evaluation of environmental, structural and other conditions.

Asset Management, Property Management, Development, and Finance

After acquiring an asset, the Asset Management, Property Management and, where appropriate, Development teams execute the day-to-day aspects of the business plan,

	<p>monitor the investment and market conditions and recommend actions to optimize investment performance or to adjust the business plan and strategy if market conditions so dictate. This may include improving tenancy through proactive leasing, repositioning, marketing, rebranding, physical improvements, active property management, optimizing operating efficiencies, refinancing, addressing deferred maintenance items, entitling additional development rights, pursuing ground up development or significant renovations/redevelopments. In executing these various pursuits, Davis has a deep bench of experienced professionals. Davis' in-house Finance, Accounting and Legal teams round out the fully-integrated execution platform.</p> <p>Davis' fully-integrated team also oversees and implements our targeted joint ventures with local operators, as well as our platform and programmatic joint venture programs where Davis seeks to capitalize on unique opportunities with, often emerging, third-party partners. These investments have included: investing in debt and securities in times of credit market dislocation; building platforms to acquire institutional scale in markets that exhibit fractured, unsophisticated ownership; utilizing programmatic joint ventures to onboard sector specific expertise required to execute on unique or arcane opportunities; investing in markets where Davis is focused on expanding its geographic footprint to capture demographic and knowledge-driven demand. Examples include our Self-storage, Affordable Housing and RV Park & Campground programmatic joint ventures, as well as a number of joint ventures primarily focused on development of multifamily and industrial/distribution properties in Southeastern and Southwestern growth markets.</p> <p>The asset Management, Property Management and Development teams collaboratively oversee leasing, capital improvement programs and property management, and, collectively with the Finance and Accounting teams, source debt financing for investments, compile quarterly asset reports that reforecast cash flows, track performance to budget and discuss any updates to respective business plans. These reports, including asset-level strategies, are reviewed and finalized quarterly by a subset of the firm's Investment Committee.</p> <p><u>Dispositions</u></p> <p>Depending on an asset's investment profile, location within a market or submarket and timing within an economic cycle, Davis will adapt its disposition approach to pursue the best possible outcome on behalf of a Fund. Throughout a given asset's projected holding period, Davis regularly evaluates where the greatest depths of the capital market are and tailors its value-add strategy to meet that market demand. For most assets, Davis will pursue a broadly marketed, competitive sales process; however, Davis has also had success aggregating and marketing sub portfolios, directly targeting a short list of qualified buyers, or leveraging Davis' in-house legal team to creatively structure exits. Hold periods typically range from three to five years and properties are generally sold to core, income-oriented investors.</p> <p><u>Investment Committee Role</u></p> <p>The Investment Committee, which comprises several senior members of Davis, will meet weekly to discuss the transaction pipeline, investment approval and pricing, due diligence issues and closing and asset business plan execution updates. Approval of a majority of the Investment Committee members, including the approval of Jonathan Davis (CEO) and Quentin Reynolds (CIO), is required before a Fund will undertake an investment.</p> <p><u>Advisory Board</u></p> <p>Each Fund has an advisory board (each, an "Advisory Board") comprised of voting members appointed from among the respective Funds' investors. The General Partner of each Fund may also designate additional non-voting members to the Advisory Board. The Advisory Board meets semi-annually (as required pursuant to a Fund's governing documents) or upon</p>
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	<p>request of the General Partner to consult on various matters, including financial statements, asset valuations, property services and affiliate fees, the status of existing investments, potential conflicts of interest and such other matters as the general partner may determine. Advisory Board approval is required to (i) extend a Fund term (after all General Partner extensions have been exercised), (ii) approve a changed business condition that would permit the termination of the investment period, (iii) approve replacement key persons, (iv) approve any fundraising cap, (v) reinstate a Fund's ability to make new investments after a key person event, (vi) remove the General Partner, (vii) approve or reject certain related-party investment opportunities for a Fund, (viii) approve an affiliate of the General Partner to be paid an acquisition or disposition fee or receive a fee for services that are not at least as favorable to a Fund as those generally charged by experienced providers of such services in the relevant market, (ix) cause a Fund to incur indebtedness over the leverage or recourse limits set forth in the applicable Fund governing documents or (x) waive any investment limitations and restrictions.</p>
Item 8.B	<p>For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.</p> <p>Each Advisory Client's PPM and/or governing documents includes a detailed disclosure of the potential risk factors associated with investing in the Funds. All prospective investors are advised to carefully consider the risk factors before deciding to purchase the interests.</p> <p>Risk management planning is an ongoing effort at DIV. DIV's Chief Compliance Officer oversees a tailored compliance program with written policies and procedures and an effective surveillance and testing program. DIV's risk management includes front-end planning of how major risks will be mitigated and managed once identified. DAVIS's risk mitigation process includes:</p> <ul style="list-style-type: none"> • Characterizing the root causes of risks that have been identified and quantified in earlier phases of the risk management process. • Evaluating risk interactions and common causes. • Identifying alternative mitigation strategies, methods, and tools for each major risk. • Assessing and prioritizing mitigation alternatives. • Selecting and committing the resources required for specific risk mitigation alternatives. <p>Investments in a Fund entails a significant degree of risk and should be undertaken only by investors capable of evaluating the risks of the Advisory Clients and bearing the risks they represent. There can be no assurance that Advisory Clients' investment objectives will be achieved, and an investor must be prepared to bear capital losses which might result from investments.</p> <p>Advisory Client investments may entail the following risks:</p> <p>General business and investment risks</p> <p>Investing in real estate will expose the Funds to a high degree of risk - Real estate historically has experienced significant fluctuations and cycles in value and a Fund may buy and/or sell investments at less than optimal times. The marketability and value of a Fund's investments will depend on many factors beyond the control of such Fund. The ultimate performance of the Fund's investments will be subject to the varying degrees of risk generally incident to the ownership and management of interests in, or related to, real property. The ultimate value of a Fund's investments depends upon the Fund's ability to identify, acquire, develop and</p>

	<p>dispose of investments in a profitable manner. Revenues may be adversely affected by changes in national or international economic conditions; changes in local market conditions due to changes in general or local economic conditions and neighborhood characteristics; the financial condition of tenants, buyers and sellers of properties; competition from prospective buyers for, and sellers of, other similar properties; changes in interest rates and in the availability, cost and terms of financing; the impact of present or future environmental legislation and compliance with environmental laws; changes in tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; civil unrest; acts of God, including earthquakes, hurricanes and other natural disasters; acts of war; acts of terrorism (any of which may result in uninsured losses); adverse changes in zoning laws; and other factors that are beyond the control of the Fund. In the event that any of the properties that comprise or secure the Fund's investments experience any of the foregoing events or occurrences, the value of and return on such investments would be negatively impacted.</p> <p>Competitive nature of the Fund's business - A Fund may be competing for suitable investments with other prospective purchasers that have greater resources than the Fund, or that have better relationships with particular sellers of assets, lenders or brokers. These competitors may have different investment objectives than the Funds, enabling them to accept more risk or pay higher prices than are deemed reasonable or appropriate for the Funds. In addition, the Fund's properties may face competition for quality tenants from other properties. These factors may affect the Fund's ability to invest the capital commitments.</p> <p>Lack of liquidity of investments - Real estate investments are relatively illiquid. Such illiquidity may limit the Fund's ability to modify its portfolio of investments in response to changes in economic and other conditions. Illiquidity may result from the absence of an established market for investments as well as the legal or contractual restrictions on their resale. In addition, illiquidity may result from the decline in value of a property comprising or securing one of the Fund's investments. There can be no assurances that the fair market value of any investments held by the Funds will not decrease in the future, leaving the Fund's investment relatively illiquid. Furthermore, dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. The possibility of a partial or total loss of capital exists.</p> <p>Funds will be subject to credit risk - Funds will be subject to credit risk, i.e., the risk that an issuer or borrower will default in the payment of principal and/or interest on an instrument. Credit risk also includes the risk that a counterparty to a derivatives instrument (e.g., a swap counterparty) will be unwilling or unable to meet its obligations. Financial strength and solvency of an issuer or borrower are the primary factors influencing credit risk. In particular, with respect to CMBS and related investments in which a Fund may invest, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect the Fund's credit risk. There are no restrictions on the credit quality of a Fund's investments. Securities in which a Fund may invest may be deemed by ratings agencies to have substantial vulnerability to default in payment of interest and/or principal. Other securities may have the lowest quality ratings or may be unrated. In the case of below-investment-grade (or unrated) CMBS and related investments, these securities will generally be subordinated to other more "senior" securities of the same issue or series. The default-related risks of the underlying mortgages or assets will be severely magnified in subordinated securities. Default risks may be further pronounced in the case of CMBS and related investments secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying mortgage loans or assets. Accordingly, these securities may experience significant price and performance volatility with respect to a variety of market and non-market factors.</p> <p>In general, credit risk is broadly gauged by the credit ratings of the securities in which a Fund invest. However, ratings are only the opinions of the agencies issuing them, may change less quickly than relevant circumstances, are not absolute guarantees of the quality of the</p>
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	<p>securities and are subject to downgrade. Credit ratings and ratings agencies have recently been criticized for ratings which did not fully reflect the risks of certain securities or which did not reflect such risks in a timely manner. Furthermore, a Fund's assets may not be rated by any rating agency or may be below investment grade. The Fund will be more dependent upon the judgment of the investment manager as to the credit quality of such unrated securities. Therefore, the investment manager's capabilities in analyzing credit quality and associated risks will be particularly important, and there can be no assurance that the investment manager will be successful in this regard.</p> <p>Cybersecurity - DIV, the Funds, and each Fund's portfolio companies generally rely on information technology systems for current and planned operations. Information and technology systems of DIV and each Fund's portfolio companies may be vulnerable to damage or interruption from computer viruses, 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, and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time, or cease to function properly, DIV, a Fund, and/or a portfolio company may have to make a significant investment to fix or replace them. Any disruption in any of these systems or the failure of any of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect the Fund's investment results, and its ability to make distributions to its partners. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in DIV's, the Funds', 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). Such a failure could harm DIV's, the Funds', or a portfolio company's reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance.</p> <p>Diverse Investor Group - Investors may have conflicting investment, tax, and other interests with respect to their investments in the Funds. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring or the acquisition of investments and the structure, timing, or manner of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by DIV, including with respect to the nature or structuring of investments or dispositions, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Funds, DIV will consider the investment and tax objectives of each Fund and its investors as a whole, not the investment, tax or other objectives of any investor individually.</p> <p>Global Pandemic and Other Force Majeure Risks - Fund investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including a Fund, a Fund property or a counterparty thereof) to perform its obligations until it is able to remedy the force majeure event. These risks could, among other effects, adversely impact the cash flows available from a portfolio company, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a Fund or a portfolio company of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on a Fund or a Fund property. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Funds may invest</p>
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	<p>specifically. Any of the foregoing may therefore adversely affect the performance of a Fund and its investments.</p> <p>The impact of disease and epidemics may have a negative impact on a Fund and its properties and their performance and financial position. Coronavirus (including COVID-19), renewed outbreaks of other epidemics or the outbreak of new epidemics could result in health or other government authorities requiring the closure of offices or other businesses and could also result in a general economic decline. While the duration and intensity of resulting business disruption and related financial and social impact associated with the COVID-19 epidemic (including on DIV's business) have diminished in the recent past, the impact of the epidemic could continue to remain material for the foreseeable future (especially as and when newer strains of COVID-19 emerge). Consequently, DIV's operations and business results, including with respect to the Funds and/or their respective properties, could be materially adversely affected by the COVID-19 outbreak in the foreseeable future.</p> <p>Risks associated with real estate development</p> <p>The Funds may acquire direct and indirect equity interests in real estate developments - To the extent that Funds invest in such development activities, they will be subject to the risks normally associated with such activities. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the Funds, such as weather or labor conditions, fluctuations in the price of materials or material shortages) and the availability of both construction and permanent financing on favorable terms. No commitments have been obtained with respect to development financing and no assurance can be given that financing will be obtainable on acceptable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the financial condition and results of operations of the Funds and on the amount of funds available for distribution.</p> <p>Potential environmental liabilities - Under various U.S. federal, state and local laws, ordinances and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such enactments often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. For example, the current owner of a parcel of land may be liable for environmental problems at, or emanating from, the parcel of land that were caused by a past owner or current operator of the site. The cost of any required remediation and the owner's liability remediation as to any property is generally not limited under such enactments and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate such substances, may adversely affect the owner's ability to sell the real estate or to borrow using such property as collateral. In addition, remediated property may attract a limited number of potential purchasers because of the property's history of contamination, which might also adversely affect the owner's ability to sell the property. Further, a transfer of property does not relieve from liability a person who owned the property at a time when hazardous or toxic substances were disposed of on, or released from, such property. In addition, noncompliance with environmental regulations may allow a governmental authority to order the owner/operator to cease operations at the property or to incur substantial costs and expenses to bring the property into compliance through the implementation of burdensome remediation or prophylactic measures. Finally, it is also possible that the owners of properties with significant contamination could be exposed to property damage in personal injury claims by adjoining or nearby landowners or residents.</p> <p>To reduce the possibility of liability under environmental laws, the applicable Funds may hire environmental consultants prior to making an investment. In addition, where the investment</p>
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	<p>manager deems it appropriate, the applicable Funds will seek to obtain indemnities from sellers, purchase environmental insurance or hold title in limited liability entities.</p> <p>There can be no assurance that environmental laws relating to real estate transactions will not be amended in the future in ways that could adversely affect the Funds' investments.</p> <p>Unanticipated problems and undisclosed liabilities - Funds may acquire existing real estate from third parties, including off-market and non-intermediated transactions, portfolio acquisitions and future purchase transactions. There can be no assurance that unanticipated problems and undisclosed liabilities or contingencies will not arise with respect to the acquired properties or that the acquired properties will achieve the anticipated rental rates or occupancy levels factored into the pricing of the transaction. Investments involve a number of risks inherent in assessing the values, strengths, weaknesses and profitability of properties as well as the potential improvements needed to increase financial returns.</p> <p>Leasing delays or tenant bankruptcies - Funds may receive a portion of their income as lease payments, and the returns from investments in real estate often may depend to a large extent on the amount of rental income generated from the properties and the expenses incurred by managing the properties, as well as on changes in their market value. The market values are in turn affected by the rental incomes realizable on, and expenses associated with, the properties. Rental income received by Funds and the value of their properties may be adversely affected by the cyclical nature of the real estate market, the perceptions of prospective tenants of the attractiveness, convenience and safety of the locations, the levels of demand and supply of commercial properties, competition from other real estate owners, changes in market rental rates, the inability to collect rents because of bankruptcy or insolvency of tenants or otherwise, the periodic need to renovate, repair and release space, costs of maintenance and insurance and increased operating costs.</p> <p>Funds have no control over the success or failure of tenants' businesses, and, at any time, any tenant may experience a downturn in its business that may weaken its financial condition. As a result, tenants may delay lease commencements or renewals, fail to make lease payments when due or declare bankruptcy. If tenants are unable to comply with lease terms, the applicable Funds or a vehicle thereof may be forced to modify lease terms in ways that are unfavorable, declare a default, repossess the property, find a suitable replacement tenant, operate the property or sell the property. There is no assurance that an investment made by a Fund could be leased at all or on terms substantially similar to or better than those of the prior lease, successfully repositioned for other uses, successfully operated or sold on terms that are favorable to the applicable Fund. A tenant bankruptcy could also delay a Fund's efforts to collect past due balances under the relevant lease and could ultimately preclude full collection of these sums.</p> <p>Upon the expiration of leases, leases may not be renewed by existing tenants, the space may not be released to new tenants or the terms of renewal or re-leasing (including the cost of required renovations or concessions to tenants) may be less favorable to the Funds than previous lease conditions. If a Fund is unable to re-let or renew lease contracts promptly, if the rentals upon such renewal or re-leasing are significantly lower than expected or if the Fund's reserves for these purposes (if any) prove inadequate, the Fund's results from operations, financial condition and the value of its real estate assets could be adversely affected.</p> <p>Risks associated with the use of leverage - DIV will utilize leverage with the goal of enhancing Fund returns. The Fund's failure to obtain leverage at the contemplated levels, or to obtain leverage on attractive terms, could have a material adverse effect on the applicable Fund. The use of leverage has the potential to magnify the gains or losses on a Fund's investments and to make the Fund's returns more volatile. Furthermore, the use of leverage will subject the Funds to risks normally associated with debt financing, including the risk that a Fund's cash flow will be insufficient to meet required payments of principal and interest, the risk that indebtedness on the investments will not be able to be refinanced and the risk that the terms</p>
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	<p>of such refinancing will not be as favorable as the terms of the existing indebtedness. Moreover, if a Fund is required to deleverage as a result of changing market conditions, to comply with the limitations on its ability to leverage or otherwise, it may be forced to sell investments at inopportune times or at disadvantageous prices. A Fund may incur indebtedness in which recourse is not limited to specific assets of the Fund and indebtedness that is collateralized by more than one Fund asset. In addition, a Fund may incur indebtedness that may bear interest at variable rates. Variable rate debt creates higher debt service requirements if market interest rates increase, which would adversely affect the Funds. The Funds may in the future engage in transactions to limit its exposure to rising interest rates as it deems appropriate and cost effective, which transactions could expose the applicable Fund to the risk that counter parties to such transactions may not perform and cause the applicable Fund to lose the anticipated benefits therefrom, which would have the adverse effects associated with increases in market interest rates.</p> <p>Fluctuations in interest rates - Funds may employ various hedging strategies to limit the effects of changes in interest rates (and in some cases credit spreads), including engaging in interest rate swaps, caps, floors and other interest rate derivative products. No strategy can completely insulate any Funds from the risks associated with interest rate changes and there is a risk that they may provide no protection at all and potentially compound the impact of changes in interest rates. Hedging transactions involve certain additional risks, such as counterparty risk, the legal enforceability of hedging contracts, the early repayment of hedged transactions and the risk that unanticipated and significant changes in interest rates may cause a significant loss of basis in the contract and a change in current period expense. The Funds cannot give any assurances that it will be able to enter into hedging transactions or that such hedging transactions will adequately protect the Funds against the foregoing risks. In addition, cash flow hedges which are not perfectly correlated (and appropriately designated/documented as such) with a variable rate financing will impact a Fund's reported income as gains and losses and the ineffective portion of such hedges will be recorded.</p> <p>Availability of insurance against certain catastrophic losses - The Funds plan to obtain liability, fire, flood (if required), extended coverage and rental loss insurance for its investments with such insured limits and policy specifications as the general partner and the investment manager believe are customary. However, certain losses of a catastrophic nature, such as those caused by wars, mold, earthquakes, hurricanes, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates as to adversely impact the Funds' profitability. In general, losses related to terrorism are becoming harder and more expensive to insure against. Most insurers are excluding terrorism coverage from their all-risk policies. In some cases, insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total cost of casualty insurance for a property. As a result, it is possible that not all of the Funds' portfolio investments will be insured against damages attributable to acts of terrorism. If a major uninsured loss were to occur with respect to a portfolio investment, the Funds could lose both its invested capital and anticipated profits related to such portfolio investment.</p> <p>A Fund may not achieve its targeted rate of return on its investments - Funds will make investments based on the General Partner's and the investment manager's estimates or projections of internal rates of return and current returns, which in turn are based on, among other considerations, assumptions regarding the performance of applicable Fund assets, the amount and terms of available financing and the manner and timing of dispositions, including possible asset recovery and remediation strategies, all of which are subject to significant uncertainty. In addition, events or conditions that have not been anticipated may occur and may have a significant effect on the actual rate of return on the Fund's investments.</p> <p>Risks relating to an investment in the Funds</p> <p>An investment in a Funds involves a high degree of risk and reliance on Management - An investment in a Fund requires a long-term commitment, with no certainty of return.</p>
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	<p>Generally, the Funds are discretionary Funds. Accordingly, investors will not have an opportunity to evaluate or approve specific investments prior to investing. Investors will be relying on the ability of the investment manager and the General Partner to identify, consummate and manage investments. The investors or members have no right or power to take part in the Fund's management, other than by voting on certain other matters as provided in the applicable limited partnership agreement. Accordingly, no person should purchase an interest in a Fund unless such person is willing to entrust all aspects of the Fund's management to the General Partner and the investment manager.</p> <p>The past performance of the investment manager is not a predictor of future results of the Funds - The investment manager's performance and the performance of the Funds are dependent on future events and are, therefore, inherently uncertain. The track record of the investment manager cannot be relied upon to predict future performance due to a variety of factors, including varying business strategies, changes in personnel, different local and national economic circumstances, different supply and demand characteristics, varying degrees of competition and varying circumstances pertaining to the real estate markets. Furthermore, there can be no assurance that the Funds' investments will meet the Funds' targeted internal rate of return.</p> <p>No market for interests in a Fund - Interests in a Fund are not transferable or assignable except with the consent of the General Partner, which generally may be withheld by the General Partner in its sole discretion, and transfers are subject to the terms and conditions of the applicable Fund's governing documents. Further, voluntary withdrawal from a Fund by an investor is not allowed. In addition, transfer of interests may be affected by restrictions on re-sales imposed by federal and state securities laws. No Fund interests are registered under the Securities Act or any state securities laws and Fund interests may not be transferred unless registered under applicable federal and state securities laws or unless an exemption from such laws is available. DIV has no plans, and are under no obligation, to register Fund interests under the Securities Act. No market exists for the interests, and none is expected to develop. Therefore, an investment in a Fund should be considered illiquid and should only be made by persons that are able to bear the risk of their investment in the interests for an extended period of time.</p> <p>Funds will not be registered under the Investment Company Act - The Funds are not currently, and will not in the future be, registered under the Investment Company Act. As a result, the Funds will not be subject to the provisions of the Investment Company Act that apply to registered investment companies. These provisions, among other things (1) place restrictions on certain investment practices, such as short sales and leverage, (2) require securities held in custody for the account of the investment company to be segregated from the securities of any other person and marked to clearly identify the securities as the property of the investment company, and (3) regulate the relationship between the investment company and its investment adviser and its affiliates. If any Fund fails to qualify for exemption from registration as an investment company, its ability to use leverage would be substantially reduced and it may be unable to conduct its business as described herein. Any such failure to qualify for such exemption could have a material adverse effect on the applicable Fund.</p> <p>The Funds will be dependent on the investment manager and its key personnel - The ability of the investment manager to manage the Funds' affairs successfully will depend on its management team and its ability to identify, structure and manage investments. The investment manager will rely on the experience, relationships and expertise of its management team and key employees. There can be no assurance that these individuals will remain in the employ of the investment manager or otherwise continue to be able to carry on their current duties throughout the applicable Fund's term. The loss of the services of any of such individuals could have a material adverse effect on a Fund's operations. In addition, the investment manager and its affiliates have investments in real estate in which the Funds do not have an ownership interest. Consequently, certain members of the management team</p>
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may have conflicts in allocating their time and services among the Funds and other ventures they may be involved in.

Conflicts of interests – carried interest distributions – Each Funds’ General Partner will receive a carried interest in the underlying Fund. The existence of the General Partner’s carried interest may create an incentive for the General Partner to make more speculative investments on behalf of the applicable Fund than it would otherwise make in the absence of such carried interest. Although Davis is investing its own capital in the Funds alongside that of the other investors, the General Partner’s interests may under some circumstances differ from those of the Funds or the investors. Such conflicting interests could potentially affect the decisions of the General Partners in purchasing, holding and disposing of the investments of the applicable Fund.

Conflicts of interests – other investment activities of Davis – Davis and its affiliates presently manage and/or have significant ownership interests in a large number of properties. Any properties in which a Fund may have an ownership interest may be in direct competition with properties and entities in which Davis or its affiliates have an ownership or management interest, and Davis or its affiliates may be subject to conflicts of interest with respect to the sale, management, or financing of properties owned by the Funds or owned by entities in which a Fund has an ownership interest. Davis and the management team of the Funds may devote significant time to the management of other client accounts or investment entities sponsored by Davis. The Funds will have no interest in such entities or accounts.

Transactions with affiliates - Davis and its affiliates may provide additional services to the Funds underlying assets and investments, including property management, leasing, loan servicing, construction management, development and legal and financing services in connection with the Funds’ investments. These are services that would typically be performed for the Funds’ properties by third parties. Any such fees will be solely for the account of Davis and its affiliates, as applicable, and will not be shared with the Funds or offset against the management fees payable by the Funds. Davis recognizes conflicts of interest exist when using an affiliated service provider. Davis believes that that the terms of any engagement with an affiliate are no less favorable to the Funds than it would be if Davis were to retain on arms length basis the services of a comparable and suitable unaffiliated third party (taking into account relevant factors as deemed appropriate in Davis’ reasonable discretions (including, but not limited to, the third party service provider’s quality of services (including willingness and ability to customize services as deemed appropriated by DAVIS), reputation, track record and scale of operations). In an effort to ensure that the fees received by its affiliates are commercially reasonable, Davis periodically conducts (or retain a suitable vendor to conduct) a survey of fees charged by comparable service providers for the above-mentioned services in the relevant property markets. Additionally, Davis believes the benefits of using these affiliates outweigh the conflicts. In particular, Davis believes the use of affiliates results in, amongst other benefits, better alignment of interests, higher quality of services (including as a result of lower personnel turnover relative to turnover levels at comparable third party service providers), efficiencies in communication, and economic reporting efficiencies.

The Funds may invest in distressed assets - Funds may make investments in non-performing or other distressed assets that involve a high degree of financial risk and there can be no assurance that a Fund’s investment objectives will be realized or that there will be any return of capital to the investors. Furthermore, investments in properties operating in work-out modes or under bankruptcy protection laws may, in certain circumstances, be subject to additional potential liabilities that could exceed the value of an investor’s original investment. In addition, under certain circumstances, payments to a Fund and distributions by a Fund to its investors may be reclaimed if any such payments or distributions are later determined to have been fraudulent conveyances or preferential payments under applicable law.

Funds may not have control over its investments - In certain situations, a Fund may (a) acquire only a minority interest in a company or other asset in which it invests, (b) rely on

	<p>independent third party management with respect to the operations of a company or other asset in which it invests, (c) acquire only a participation in an asset underlying an investment or (d) acquire a subordinate loan position with respect to a company or an asset in which it invests and, therefore, may not be able to exercise control over the management of such company or investment. A Fund may also co-invest with third parties through partnerships, joint ventures or other entities, thereby acquiring non-controlling interests in certain investments. Although the Funds may not have control over these investments and, therefore, may have a limited ability to protect its position therein, the General Partners and the investment manager expect to negotiate appropriate rights to protect the Funds' interests. Nevertheless, such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third party partner or co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Funds, or may be in a position to take action contrary to the Funds' investment objectives. The Funds also may, in certain circumstances, be liable for the actions of its third party partners or co-venturers.</p> <p>If an investor defaults, it may be subject to various remedies - If an investor defaults in making its required capital contributions to a Fund, the investor may be subject to various remedies including, without limitation, forfeiture of its interest in the Fund. If an investor defaults or is excused from an investment, it may be difficult for the Fund to make up the shortfall from other sources, which may be detrimental to the Fund. The other investors may be required to make additional contributions to replace such shortfall, thereby reducing the diversification of their investments.</p> <p>If an investor fails to fund any capital call when due, and the capital commitments made by non-defaulting investors and borrowings by a Fund are inadequate to cover the defaulted capital contribution, the Fund may be unable to pay their obligations when due. As a result, the Fund may be subjected to penalties that could materially and adversely affect the returns to the investors.</p> <p>Investors may be required to fund an aggregate amount in excess of capital commitments - Under certain circumstances, proceeds distributable (or previously distributed) to the investors may be retained or recalled and reinvested by the general partners or investment manager or used to meet Fund liabilities. Accordingly, because of such recycling, it is possible that investors may have to fund an aggregate amount in excess of their capital commitment.</p> <p>U.S. federal income tax risks - The investors may be obligated to pay tax arising from phantom income. The investors will be required to take into account their allocable share of the Fund's items of income, gain, loss, deduction and credit, without regard to whether they have received or will receive any distributions from the applicable Fund. Thus, each investor may be taxed on its distributive share of the taxable income of the Fund regardless of whether such investor receives any actual cash distributions from such Fund. Accordingly, an investor's tax liability for any taxable year attributable to its investment in a Fund may exceed (and perhaps to a substantial extent) the cash distributed to that investor during the taxable year. Consequently, investors should plan to satisfy any tax obligations arising from their investment in a Fund from sources other than distributions from the Fund.</p> <p>The Funds may generate unrelated business taxable income taxable to certain tax-exempt investors and effectively connected income taxable to non-U.S. investors. - Although the General Partners or investment manager intend, but are not obligated, to form alternative feeder, parallel or other investment vehicles in order to address certain tax, legal or other regulatory considerations, the Funds nevertheless may generate unrelated business taxable income ("UBTI") and income effectively-connected with the conduct of a U.S. trade or business ("ECI"), including possibly gains attributable to the disposition of US real property interests subject to so-called "FIRPTA" tax.</p>
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	<p>Risks associated with REIT tax qualification - In order to minimize the taxes payable by certain tax exempt and non-U.S. investors, the General Partners and the investment manager may form a real estate investment trust (a “REIT”) as either a vehicle for those and other investors to invest in the Funds, or a vehicle through which the Funds may make some or all of its investments. If the Funds form a REIT, the REIT will endeavor to qualify as a REIT for tax purposes. However, qualification as a REIT involves the application of highly technical and complex Internal Revenue Code provisions for which only a limited number of judicial or administrative interpretations exist. Failure to comply with these requirements, even if inadvertent, could jeopardize a REIT’s tax status. Furthermore, new tax legislation, administrative guidance or court decisions, in each instance potentially with retroactive effect, could make it more difficult or impossible to qualify or continue to qualify as a REIT. If a REIT fails to qualify as a REIT in any tax year, unless the REIT was eligible for certain provisions granting relief, then:</p> <ul style="list-style-type: none"> • the REIT would be taxed as a regular domestic corporation, which under current laws, among other things, means being unable to deduct distributions to its shareholders in computing taxable income and being subject to federal income tax on its taxable income at regular corporate rates; • the REIT would be required to pay taxes and, thus, its cash available for distribution to its shareholders (e.g., the Funds and, in turn, the Funds’ investors) would be substantially reduced for each of the years during which the REIT did not qualify as a REIT; and • the REIT may also be disqualified from re-electing REIT status for the year of the disqualification and the four taxable years following the year during which it became disqualified. <p>In order to qualify as a REIT for federal income tax purposes, a REIT is required to continuously satisfy tests concerning, among other things, its sources of income, the nature and diversification of its investments, the amounts it distributes to its shareholders and the ownership of its stock. A REIT may be forced to dispose of an asset in order to stay in compliance with such tests. A REIT may also be required to make distributions to its shareholders at disadvantageous times or when it does not have funds readily available for distribution. The REIT provisions of the Internal Revenue Code could limit the Funds’ ability to hedge the REIT’s financial assets and related borrowings. Thus, compliance with REIT requirements could hinder a Fund’s ability to operate solely with the objective of maximizing profits.</p>
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Item 8.C	<p>If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.</p> <p>In addition to the risks described above, other material risks associated with the Funds may include:</p> <p>Real Estate Investments</p> <p>The Funds in equity and debt investments related to real estate. Real estate historically has experienced significant fluctuations and cycles in value and the Funds may buy and/or sell investments at less than optimal times. The marketability and value of a Fund's investments will depend on many factors beyond the control of the Fund, the Investment Manager, the General Partner and their respective affiliates. The ultimate performance of a Fund's investments will be subject to the varying degrees of risk generally incident to the ownership and management of interests in, or related to, real property. The ultimate value of a Fund's investments depends upon the Fund's ability to identify, acquire, develop and dispose of investments in a profitable manner.</p> <p>Revenues may be adversely affected by, among other things: changes in national or international economic conditions; changes in local market conditions due to changes in general or local economic conditions and neighborhood characteristics; local conditions (such as an oversupply of space or a reduction in demand for real estate in an area); the philosophy of management; the financial condition of tenants, buyers and sellers of properties; competition from prospective buyers for, and sellers of, other similar properties; the ability of the owner to control variable operating costs; changes in interest rates and in the availability, cost and terms of financing; the impact of present or future environmental legislation and compliance with environmental laws; changes in tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; civil unrest; acts of God, including earthquakes, hurricanes and other natural disasters; acts of war; acts of terrorism (any of which may result in uninsured losses); adverse changes in zoning laws; adverse zoning determinations; and other factors that are beyond the control of a Fund. In the event that any of the properties that comprise or secure a Fund's investments experience any of the foregoing events or occurrences, the value of and return on such investments would be negatively impacted.</p> <p>Office Properties</p> <p>The Funds may invest in office properties and properties with an office component. The value and successful operation of such investments are subject to the risk of leasing property, that tenants may be unable to make their lease payments or may decline to extend a lease upon its expiration. In the event of default by any tenant of a property in which the Funds have interests, the Funds may experience delays and costs in enforcing its rights as a landlord to recover amounts due under the terms of its agreements with those parties.</p> <p>Multifamily Properties</p> <p>The Funds may invest in multifamily properties. A large number of risk factors may affect the value and successful operation of such properties, including, but not limited to: physical attributes of the property such as its age, condition, design, appearance, access to transportation and construction quality; location of the property; ability of management to provide adequate maintenance and insurance; the types of services or amenities that the property provides; the property's reputation; the level of mortgage interest rates and availability of government incentives, which may encourage tenants to purchase rather than lease housing; presence of competing properties; the tenant mix, such as the tenant population being predominantly students or being heavily dependent on workers from a particular business; adverse local or national economic conditions, which may limit the</p>
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	<p>amount of rent that may be charged and may result in a reduction of timely rent payments or a reduction in occupancy levels; state and local regulations, which may affect the building owner's ability to increase rent to the level of market rents for an equivalent apartment; government assistance/rent subsidy programs; and the inventory of unsold condominium units in the local market that are being rented until economic conditions in the condominium market improve.</p> <p>In addition, certain jurisdictions regulate the relationship between an owner and its tenants. Commonly, these laws require a written lease, good cause for eviction, disclosure of fees and notification to residents of changed land use, while prohibiting unreasonable rules and retaliatory evictions. In addition to U.S. federal, state and/or local regulation of the landlord-tenant relationship, some counties and/or municipalities impose rent control on apartment buildings. These ordinances may limit rent increases to fixed percentages, to percentages of increases in the consumer price index, to increases set or approved by a governmental agency or to increases determined through mediation or binding arbitration. Additionally, the Funds may be subject to eviction moratoriums that could negatively impact the Funds' ability to complete their respective business plans and hinders their ability to manage investments.</p> <p>Life Science and Laboratory Properties</p> <p>The Funds may and do invest in life science and laboratory properties. The value and successful operation of such investments are sensitive to a number of risk factors including, but not limited to: the quality of tenants; the particular focus of such tenants within the life science industry; the physical attributes of the building in relation to competing buildings (e.g., age, condition, design, appearance, location, access to transportation and ability to offer certain amenities, such as sophisticated building systems and/or business wiring requirements); the physical attributes of the building with respect to the technological needs of the tenants, including the adaptability of the building to changes in the technological needs of the tenants; compliance with applicable government requirements; the availability of sublease space; the impact of economic conditions on the local market and the building's tenants; and the desirability of the area as a business location. Certain life science properties may also require specific updates or infrastructural improvements that may involve greater expenditure than traditional office space (e.g., upgrades to electrical, gas and plumbing infrastructure, HVAC systems, laboratory benchwork, increased floor-to-ceiling clear heights, reinforcement of concrete floors or roof structures, enhancement of environmental control technology) and such infrastructural needs may vary depending on the particular tenant and/or their particular focus in the life science industry. Given that different life science industry tenants may require different features in order to lease a property depending on their particular focus within the life science industry, the Fund may incur substantial expenditures to modify the property upon a tenant's inability to pay rent before such property can be re-leased to another life science industry tenant. In addition, certain life science properties may be more susceptible to particular hazards and accidents including, without limitation, fires, leaks, contaminations, chemical spills and physical injury, and the liability and costs which may arise out of the occurrence of any such event could be considerable and borne by a Fund. To the extent any of the foregoing risk factors are heightened or the conditions associated with such risk factors deteriorate, a Fund's investments in life science properties may incur losses.</p> <p>The life sciences industry spends heavily on research and development and in relatively new technologies. Certain new technologies are more costly and time-consuming to reach viability and life science industry tenants may have difficulty establishing a market presence. In addition, the research and development, clinical testing, manufacture and marketing of certain life science industry tenants' products and technologies may require significant outlays of funds as well as federal, state and foreign regulatory approvals, which such approval process might be long, expensive and uncertain. Without the required funding or</p>
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approvals, a tenant's business may fail which could adversely impact the success of one or more life science properties.

Self-Storage Properties

The Funds may and do invest in self-storage properties. Self-storage properties are subject to all operating risks common to the self-storage industry, including but not limited to decreases in demand for rental spaces in a particular locale, changes in supply of similar or competing self-storage facilities in an area, changes in market rental rates, and inability to collect rents from customers. Significant factors determining the value of self-storage properties include: the location of the property (including proximity to customers and accessibility to major roadways and other transportation routes), the demand for rental spaces in a particular locale, changes in supply of similar or competing self-storage facilities in an area, properties becoming functionally obsolete, building design and adaptability, inability to collect rents from customers and changes in market rental rates.

The self-storage properties that a Fund invests in will compete with other self-storage properties in their geographic markets. As a result of competition, such self-storage properties could experience a decrease in occupancy levels and rental rates, which may negatively impact the performance of a Fund's self-storage investments. Self-storage properties compete in operations and for acquisition opportunities with companies that have substantial financial resources. Competition may reduce the number of suitable acquisition opportunities offered to a Fund.

Campground and RV Community Properties

The Funds may and do invest in campground and recreational vehicle ("RV") community properties. The campground and RV industry may be influenced by many national and regional economic and demographic factors, including: the terms and availability of financing for retailers and consumers; overall consumer confidence and the level of discretionary consumer spending; population and employment trends; and income levels and general economic conditions, such as inflation. Due to the seasonality of this sector (with demand generally increasing in the spring and summer months and decreasing in the fall and winter months), there may be significant fluctuations in the revenue, net income and cash flows with respect to any campground or RV community property, and the possible adverse impact from other risks associated with this sector, including extreme weather and consumer spending levels, is potentially greater if any such risks occur during peak sales seasons.

Because RV communities and campgrounds are primarily used by vacationers and campers, an economic downturn that affects discretionary spending and disposable income for leisure-time activities (as a result of, including but not limited to, job loss, bankruptcy, higher consumer debt and interest rates, reduced access to credit, higher energy and fuel costs and/or shortages of gasoline and diesel fuel, relative or perceived cost, availability and comfort of RV use versus other modes of travel, such as air travel and rail, falling home prices, lower consumer confidence, uncertain or changes in tax policies, uncertainty due to national or international security or health concerns, volatility in the stock market, or epidemics such as COVID-19) could adversely affect cash flows to such properties.

In addition, campground and RV community properties are usually specific-use properties and may contain features or assets that have limited alternative uses. These properties may also have distinct operational functions that involve specific procedures and training. If the operations of any of these properties become unprofitable due to industry competition, operational execution or otherwise, it may not be feasible to operate them for another use and the value of certain features or assets used at these properties, or the properties themselves, may be impaired. If any of these events occur, the financial condition of and cash flows from these properties could be adversely impacted.

Retail Properties

The Funds may and do invest in retail properties or properties that have a retail component. The value and successful operation of these investments are sensitive to a number of risk factors, including, but not limited to: changes in consumer spending patterns, including as a result of COVID-19; local competitive conditions (such as the supply of retail space and the existence or construction of new competitive shopping centers); the bankruptcy or distress of tenants; the availability of sublease space; alternative forms of retailing (such as direct mail, video shopping networks and internet websites, which reduce the need for retail space by retail companies), including the increased demand for alternative forms of retailing as a result of COVID-19; the safety, convenience and attractiveness of the retail properties to tenants and their customers or clients; the public perception of the safety, convenience and attractiveness of the shopping center of customers at shopping centers; the need to make major repairs or improvements to satisfy the needs of major tenants; traffic patterns and access to major thoroughfares; and unemployment rates in the local economy.

The general strength of retail sales also directly affects the retail properties. If retail sales by tenants in a Fund's retail properties were to decline, the rents that are based on a percentage of revenues may also decline, and tenants may be unable to pay the fixed portion of their rents or other occupancy costs. The cessation of business by, or bankruptcy, of a significant tenant can have a material adverse effect on a Fund's retail properties, not only because of rent and other factors specific to such tenant, but also because significant tenants at the properties play an important part in generating customer traffic and making the properties a desirable location for other tenants.

In addition, the use of the Internet by consumers continues to gain in popularity. The migration toward e-commerce is expected to continue, as evidenced by recent large mergers and acquisitions in the e-commerce space, including the acquisition of "brick-and-mortar" grocery retailers by large e-commerce companies. An increase in internet sales for retail products could result in a downturn in the business of the Fund's current tenants in their "brick-and-mortar" locations and could affect the way future tenants lease space. While a Fund will devote considerable effort and resources to analyzing and responding to consumer trends, preferences and spending patterns, and targeting retail properties trading at an attractive going in basis, the Fund cannot predict with certainty what future tenants will want, what future retail spaces will look like and how much revenue will be generated at traditional "bricks-and-mortar" locations. If a Fund is unable to anticipate and respond promptly to trends in the market because of the illiquid nature of real estate, a Fund's occupancy levels and financial results could suffer.

Industrial Properties

The Funds may and do invest in industrial properties. The value and successful operation of such investments are sensitive to a number of risk factors, including, but not limited to: the location of the property (including proximity to supply sources and customers and accessibility to rail lines, major roadways and other distribution channels and transportation routes); the quality of tenants; a reduced demand for industrial space because of a decline in a particular industry segment; the property becoming functionally obsolete; building design and adaptability; scarcity of labor sources; changes in access; energy prices; strikes; relocation of highways; the construction of additional highways or other factors; changes in proximity of supply sources; and the expenses of converting a previously adapted space to general use. Concerns about the quality of tenants, particularly major tenants, are similar in both office properties (as discussed above) and industrial properties, although industrial properties may more frequently be dependent on a single or a few tenants.

A particular industrial or warehouse property that suited the needs of its original tenant may be difficult to re-let to another tenant or may become functionally obsolete relative to newer properties. Also, properties used for many industrial purposes are more prone to environmental concerns than other property types. Further, because of unique construction requirements of many industrial properties, many vacant industrial property spaces may not be easily converted to other uses. Thus, if the operation of an industrial property becomes unprofitable due to competition, age of the improvements or other factors, the liquidation value of that industrial property may be substantially less than would be the case if the property were readily adaptable to other uses.

Healthcare and Healthcare-Related Properties

The Funds may and do invest in healthcare facilities and healthcare-related properties. The healthcare industry and the operation of healthcare facilities are heavily regulated by federal, state and local governmental bodies. For example, transfers of operations of certain healthcare-related facilities are subject to regulatory approvals not required for transfers of other types of commercial operations. Tenants that operate healthcare facilities are generally subject to laws and regulations covering, among other things, licensure, certification for participation in government programs and relationships with physicians and other referral sources. Changes in these laws and regulations, and the failure of operators to comply with or continue to comply with them, could negatively affect their ability to operate their facilities. Further, state and local laws may also regulate expansion, including the addition of new beds or services or acquisition of medical equipment, and the construction of medical facilities, by requiring a certificate of need ("CON"), or other similar approval. State CON laws are not uniform throughout the United States and are subject to change. The Fund is not able to predict the impact of state CON laws on the operators of the facilities in which it invests. In addition, state CON laws often materially impact the ability of competitors to enter into the markets where the Fund holds investments. In limited circumstances, loss of state licensure or certification or closure of a facility could ultimately result in loss of authority to operate the facility and require new CON authorization to re-institute operations. As a result, a portion of the value of the facility may be reduced, which would adversely impact the success of a Fund's investment.

Other laws may also impact how operators of Fund investments conduct business and therefore may affect the success of these investments. Those laws include but are not limited to: federal and state laws designed to protect the confidentiality and security of patient health information; state and local licensure laws; laws protecting consumers against deceptive practices; laws generally affecting the management of healthcare properties and equipment and how operators of healthcare facilities generally conduct their operations, such as fire, health and safety, and environmental laws; federal and state laws affecting healthcare facilities mandating quality of services and care, and quality of food service; resident rights (including abuse and neglect laws); and health standards set by the U.S. Occupational Safety and Health Administration.

Hospitality Properties

The Funds may and do invest in hospitality properties. Operating risks common to the hotel industry may cause deteriorations in, or delays in the improvement of, the operating performance of hospitality properties and consequently impact the cash flows from and the values of the Fund's investments. These risks include, but are not limited to: heightened travel security measures instituted in response thereto, travelers' fears of epidemics and contagious diseases including COVID-19, changes to travel patterns by group and transient customers, changes in operating costs, disputes with property managers and franchisors pursuant to the associated property management and franchisor agreements, and the condition of the airline industry. Decreases in airline capacity could further reduce demand for hotel rooms in the properties in which a Fund may invest, and in turn, further depress the revenue per available

room of such properties. The reduction of room rates or offering of comparable incentives (including free nights) by competitive hotel properties could further exert downward pressure on room-night demand for, and consequently room rates of, hotel properties in which a Fund may invest.

Hospitality properties are also subject to certain operating risks affecting a particular property. For example, if a property's occupancy or room rates drop to the point where its revenues are insufficient to cover its operating expenses, then additional funds, including reserves, will need to be expended to cover such property's operating expenses. More so than other property types, hospitality properties are saddled with an ongoing obligation to make renovations and other capital improvements in order to stay competitive, including replacements, from time to time, of furniture, fixtures and equipment, particularly if the hotel is a branded hotel. This obligation is subject to the risks that cash flow from operations and reserves may be inadequate to fund capital improvements, financing for these capital improvements may not be available to the Fund's properties on affordable terms, and market demand for hotel properties following the undertaking or completion of capital improvements may not exist or may diminish. Consequently, the costs of these capital improvements could negatively impact the financial condition of a Fund's investments and in turn the amount of cash available for distribution to a Fund's investors.

Certain hotels acquired by or invested in by the Fund may be managed by third-party hotel management companies pursuant to management agreements (or, with respect to certain hotels, a lease for the entire hotel property which contains terms similar to traditional hotel management agreements). Under the terms of these management agreements, the third-party hotel managers control the daily operations of the hotels and are typically compensated with a base management fee tied to revenues generated from operations and in many cases, an incentive management fee based on achieving specific performance thresholds. Accordingly, a hotel's business and operating results can depend in large part upon the performance of these hotel management companies under their management agreements. While the Fund may seek to reposition hotel properties and make management changes, there is no guarantee that a third-party management company (or operating lessee) for any given hotel property will meet the performance objectives desired by the Fund.

In addition, hotel properties may not readily be converted to alternative uses if they were to become unprofitable due to competition, age of improvements, decreased demand or other factors. Moreover, the conversion of a hotel to alternative uses would generally require substantial capital expenditures.

Real Estate Loans

The Funds may and do acquire and originate debt investments in U.S. real estate and real estate-related investments. Such real estate loans, at the time of their acquisition or thereafter, may be non-performing for a wide variety of reasons. Such non--performing real estate loans may require substantial workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the loan principal and/or purchasing senior loans. Further, even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such real estate loan, replacement "takeout" financing will not be available. Purchases of participations in real estate loans raise many of the same risks as investments in real estate loans and also carry risks of illiquidity and lack of control. It is possible that the General Partner may find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by the Fund. The foreclosure process will vary from jurisdiction to jurisdiction and can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan, including, without limitation, lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action. During the foreclosure

proceedings, a borrower may have the ability to file for bankruptcy or its equivalent, potentially staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property.

Commercial real estate loans are generally not insured or guaranteed by any person or entity, governmental or otherwise. If a default occurs, recourse generally may be had only against the specific properties and other assets that have been pledged to secure the loan. Consequently, payment prior to maturity is dependent primarily on the sufficiency of the net operating income of the properties that directly or indirectly secures the loan. Payment at maturity is primarily dependent upon the market value of the properties that directly or indirectly secure the loan and the borrower's ability to sell or refinance the properties that directly or indirectly secure the loan. Although the commercial real estate loans generally are non-recourse in nature, certain such loans contain non-recourse carve-outs for liabilities such as those arising as a result of fraud by the borrower, certain voluntary insolvency proceedings or other matters. However, certain commercial real estate loans either do not contain non-recourse carve-outs or contain material limitations to non-recourse carve-outs. Often these obligations are guaranteed by an affiliate of the related borrower, although liability under any such guaranty may be capped or otherwise limited in amount or scope. Furthermore, certain guarantors may be foreign entities or individuals which, while subject to the domestic governing law provisions in the guaranty and related mortgage loan documents, could nevertheless require enforcement of any judgment in relation to a guaranty in a foreign jurisdiction, which could, in turn, cause a significant time delay or result in the inability to enforce the guaranty under foreign law. Additionally, the guarantor's net worth and liquidity may be less (and in some cases, materially less) than amounts due under the related mortgage loan or the guarantor's sole asset may be its interest in the related borrower. Certain commercial real estate loans may have the benefit of a general payment guaranty of a portion of the indebtedness under the commercial real estate loan. In all cases, however, commercial real estate loans should be considered to be non-recourse obligations and no party has made any representation or warranty as to the obligation or ability of any borrower or guarantor to pay any deficiencies between any foreclosure proceeds and the commercial real estate loan indebtedness.

Seed Investments

Prior to the initial closing of a Fund, affiliates of the General Partner may invest capital in such Fund in order to permit the Fund to invest directly or indirectly in certain Seed Investments. There can be no assurance that such Seed Investments will perform as projected or achieve desired investment results. Further, none of the General Partner, Investment Manager or their affiliates can provide any guarantee of the value of any Seed Investments as of the initial closing of the Fund or thereafter.

"Bad Boy" Guarantees

Lenders customarily require that a creditworthy parent entity enter into so-called "recourse carve-out" guarantees to protect the lender against certain bad faith or other intentional acts of the borrower in violation of the loan documents. A "bad boy" guarantee typically provides that the lender can recover losses from the guarantors for certain bad acts, such as fraud or intentional misrepresentations, intentional waste, willful misconduct, criminal acts, misappropriation of funds, voluntary incurrence of prohibited debt and environmental losses sustained by lender. In addition, "bad boy" guarantees typically provide that the loan will be a full personal recourse obligation of the guarantor, for certain actions, such as prohibited transfers of the collateral, changes of control and voluntary bankruptcy of the borrower. It is expected that the financing arrangements with respect to the Fund's investments generally will require "bad boy" guarantees from the Fund and in the event that such a guarantee is called, the Fund's assets could be adversely affected. The Fund may provide "bad boy"

guarantees on behalf of an alternative investment vehicle, co-investment vehicle or vehicle investing alongside the Fund and as such guarantees are not for borrowed money, they will typically not be included as part the Fund's outstanding leverage for purposes of calculating the overall debt leverage limit applicable to the Fund. The Fund may in certain circumstances, but shall not be required to, receive a fee or other consideration for providing guarantees for the benefit of another vehicle.

Bridge Investments

If a Fund makes an investment with the intent of subsequently financing a portion of that investment, there is a risk that the Fund will be unable to successfully complete such a financing. This could lead to the Fund having a larger amount of capital invested in an investment than anticipated and reduced diversification.

Investment in Real Estate Companies

A Fund may invest in companies that are primarily engaged in investing in and/or operating real estate assets, including investing in common stocks, preferred stocks, convertible securities and warrants issued by such companies. These securities may be traded on major stock exchanges or regional stock exchanges, or may be publicly traded. The value of a Fund's investments in such companies may fluctuate based on changes in the issuer's financial condition and prospects and on overall market and economic conditions. In addition, a Fund's investments in such equity securities will be subject to the various risks of private equity investing, including, but not limited to, employment-related risks associated with personnel of portfolio companies invested in by a Fund as well as risks associated with the reliance on the existing management team, or its successor(s), of a portfolio real estate company, including the risks associated with such management team's oversight of the day-to-day operations of such portfolio real estate company.

A Fund may invest not only in securities of issuers with large market capitalizations, but also in securities of medium-cap, small-cap and micro-cap companies. Smaller companies often have limited financial resources, and may depend on one or few key persons for management. The securities of such companies may be subject to more volatile movements than securities of larger, more established companies, both because the securities typically have traded in lower volume and because the issuers typically are more subject to changes in earnings and prospects.

Investments in Varying Capital Structures

A Fund may acquire assets using a variety of capital structures, including direct investments in real estate, investment in debt and debt-like instruments secured by or related to real estate and investments in equity securities issued by public or private companies that are primarily engaged in investing in and/or operating real estate. Accordingly, a Fund will be required to maintain expertise, relationships and market knowledge across a range of investment types, and will be subject to the market conditions affecting each such investment structure in various markets. This approach could require more management time, staff support and expense than would be experienced with a fund whose focus is dedicated to a greater extent on a single investment

Credit Risk of Tenants

Funds may invest in properties in which tenant leases will generate a significant portion of a Fund's revenue. As a result, such a Fund is subject to the credit risk of its tenants. In particular, local economic conditions and factors affecting the industries in which a Fund's tenants operate may affect the tenants' ability to make lease payments. In the event that a Fund's tenants default on their leases and fail to make rental payments when due, there could be a

	<p>significant decrease in a Fund's revenues. This loss of revenues could adversely affect a Fund's profitability and its ability to meet its financial obligations. In addition, a Fund may be unable to locate replacement tenants in a timely manner or on comparable or better terms if tenants default on their leases. These risks can be magnified in those instances where a single tenant occupies, or small numbers of tenants occupy, an entire building.</p>
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ITEM 9 – DISCIPLINARY INFORMATION

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events. Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a *management person* has been *involved* in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the *management person's* favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the “date” of an event is the date that the final *order*, judgment, or decree was entered, or the date that any rights of appeal from preliminary *orders*, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a *management person* has been *involved* in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a *client's* or prospective *client's* evaluation.

Item 9.A	<ol style="list-style-type: none"> 1. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a <i>management person</i> was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any <i>felony</i>; (b) a <i>misdemeanor</i> that <i>involved</i> investments or an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses; 2. is the named subject of a pending criminal <i>proceeding</i> that involves an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses; 3. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation; or 4. was the subject of any <i>order</i>, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a <i>management person</i> from engaging in any <i>investment-related</i> activity, or from violating any <i>investment-related</i> statute, rule, or <i>order</i> <p>There are no pending legal, regulatory or industry proceedings against DIV or any of its professionals.</p>
Item 9.B	<p>An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person</p> <ol style="list-style-type: none"> 1. was found to have caused an investment-related business to lose its authorization to do business; or 2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority <ol style="list-style-type: none"> (a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business; (b) barring or suspending your firm's or a management person's association with an investment-related business;

	<p>(c) otherwise significantly limiting your firm's or a management person's investment-related activities; or</p> <p>(d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.</p> <p>There are no pending administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority against DIV or any of its professionals.</p>
Item 9.C	<p>A self-regulatory organization (SRO) proceeding in which your firm or a management person</p> <ol style="list-style-type: none"> 1. was found to have caused an investment-related business to lose its authorization to do business; or 2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500. <p>Note: You may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, you are not required to disclose it. When you review a legal or disciplinary event involving your firm or a management person to determine whether it is appropriate to rebut the presumption of materiality, you should consider all of the following factors: (1) the proximity of the person involved in the disciplinary event to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If you conclude that the materiality presumption has been overcome, you must prepare and maintain a file memorandum of your determination in your records. See SEC rule 204-2(a)(14)(iii).</p> <p>There are no pending SRO proceedings against DIV or any of its professionals.</p>

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Item 10.A	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.</p> <p>Not applicable to DIV.</p>
Item 10.B	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.</p> <p>Not applicable to DIV.</p>
Item 10.C	<p>Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.</p> <p><u>Potential Conflicts of Interest</u> For a more detailed disclosure of the potential conflicts of interest associated with investing in one of the Advisory Clients, prospective investors should refer to the respective Advisory Client’s PPM and governing documents.</p> <p><u>Performance & Management Fee Compensation</u> As described in Item 6 above, the performance compensation payable to the General Partners or their affiliated persons, and the management fees payable to DIV, may influence the members of applicable Partner or DIV to make investments they would not otherwise make by providing a financial incentive to make investments with a greater risk/reward profile than would be the case the in absence of the such compensation.</p> <p><u>Allocation of Investment Opportunities</u> DIV and/or its affiliates may, from time to time, be presented with investment opportunities that fall within the investment objective of one or more Advisory Clients, one or more funds formed in the future by DIV or its affiliates, or other persons or entities whose investments are managed or controlled by DIV and/or its affiliates.</p> <p>With respect to a Fund generally, as set forth in such Fund’s governing documents, until the earlier of the end of the Fund’s investment period or the date on which a specified percentage of the Fund’s capital commitments has been drawn-down or allocated to specific investments and reserves to pay expenses, the general partner, DIV, Jonathan Davis, or any entity under majority control by any of them shall not make any investment if, in good faith judgment of the applicable Fund’s investment committee, such investment fits the respective Fund’s investment objectives and strategy, diversification and leverage restrictions and other investment guidelines, and is within the Fund’s capacity, unless such investment opportunity was first considered and rejected for the Fund.</p> <p>DIV has adopted an investment allocation policy consistent with the governing documents of each Fund in order to address potential conflicts of interest.</p> <p><u>Allocation of Personnel</u> DIV and its affiliates will devote such time as shall be necessary to conduct the business affairs of the Funds in an appropriate manner. However, management agreements</p>

between DIV and the Advisory Clients do not impose any specific obligations or requirements concerning the specific amount of time or resources devoted to the affairs of the Advisory Clients. Personnel of DIV and its affiliates will work on other projects, and, therefore, conflicts may arise in the allocation of personnel time. In this regard, however, a core group of DIV real estate professionals will devote substantially all of their business time to the business related to the Funds and related investment entities.

Co-investments

In addition to the Funds, certain other collective investment vehicles or other arrangements may possibly be established for certain investors who, for tax or other reasons, deemed necessary by DIV would be disadvantaged by a direct investment in such Fund. Investors in these parallel funds will generally co-invest and vote with the Fund as if a part thereof as provided in the respective Fund's governing documents. Additionally, the General Partner of a Fund may, in its sole discretion, give certain investors and/or third parties an opportunity to co-invest in particular Fund investments, or to provide financing to the Fund or any entity in which the Fund invests. Subject to certain exceptions, the General Partner first offers any co-investment opportunity to co-investment eligible investors in accordance with the terms of the Fund's co-investment policy, before offering co-investment opportunities to other Fund investors, the sponsor or any of its affiliates, or any third parties.

DIV is highly focused on managing conflicts of interest and in cases where they may be cross-fund investing. In addition, to the extent applicable, DIV will work closely with the Advisory Boards of the Funds to ensure that all potential conflicts are properly managed.

Other Business Activities

Except as noted further below, DIV does not conduct other business in any material respect apart from DIV's management of the Advisory Clients. DIV personnel may serve as consultants, partners or stockholders of one or more investment funds, limited partnerships, or advisory firms and may act as directors, officers and/or employees of any bank or corporation, trustees of any trust, executors or administrators of any estate, or administrative officials of any other business entity including affiliates.

Affiliates of DIV have made, and may in the future make, certain property acquisitions or recapitalizations on behalf of such affiliates, related persons and third parties via privately held structures. These acquisitions involve direct acquisitions or recapitalizations of properties (i.e., no securitization involved) and, as such, the structures holding these assets are not securities portfolios and not investment advisory clients of DIV. As such, these structures' assets are excluded from DIV's regulatory assets under management reported in this Brochure. These acquisitions do not pose a conflict interest for the Funds, as any such investment is first considered and rejected by the Fund prior to any investment outside of a Fund taking place and all such investments are disclosed and, if required, approved by the applicable Advisory Board. As such, investment allocation-related conflicts related to operating these investments side-by-side with managing the Funds are unlikely to occur.

Valuation

Fair value measurement of assets is based on management's judgment and estimation in accordance with the valuation policies and procedures of DIV. Valuation methods, inputs and the pricing of events (such as an impairment, a sale, a recapitalization), that produce a realized or unrealized gain or loss that may be recognized are inherently subjective. There may be situations in which DIV's valuation procedures could adversely affect an investor's interest. See discussion of Valuation under Item 13.A for more details.

	<p><u>Policies and Procedures</u></p> <p>DIV has adopted policies and procedures designed to address and mitigate potential conflicts of interest as it relates to DIV’s regulatory requirements and contractual restrictions. These procedures will be revised as needed. See discussion of Code of Ethics under Item 11.A for more details.</p> <p><u>In-house Services</u></p> <p>From time to time, value-add and other types of professional services (including legal and financial services) are provided by the in-house staff of DIV and/or its affiliates for the benefit of the Funds or Fund properties (as applicable). In such instances, DIV or its affiliates seeks reimbursement from the Funds or Fund properties (as applicable) for the time spent by such in-house professionals in providing such services (which time is tracked in a manner deemed reasonable by DIV). Such reimbursement will be undertaken at hourly rates equal to or less than the hourly rates charged by independent third-party professionals with comparable seniority and experience. DIV performs a market survey periodically to confirm the rates are at or below third-party professional with comparable seniority and experience. As with the use of affiliated service providers, Davis believes that such services provide cost savings to the Funds and/or Fund properties. Nevertheless, DIV acknowledges that such services implicate potential conflicts of interest for DIV and/or its affiliates and, as such, DIV has implemented conflicts mitigation procedures similar to those DIV has implemented to mitigate conflicts arising from the use of affiliated service providers. Please refer to “Transactions with Affiliates” in Item 8.B above for a detailed description of such controls DIV has implemented in connection with the provision of such in-house services.</p>
Item 10.D	<p>If you recommend or select other investment advisers for your <i>clients</i> and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.</p> <p>DIV or its affiliates will on occasion, on behalf of a Fund, enter into joint venture arrangements with local operators or pooled investment vehicles managed by well-known institutional third parties which sometimes act as the operating partner. In certain joint ventures, a DIV Fund affiliate would have a controlling interest in the asset and DIV affiliates would be appointed as the asset and property manager. The terms of these joint ventures tend to follow market standard practices e.g., a substantial partner, even if a minority partner, can expect to have rights regarding major decisions and the ability to force exit or trigger a buy/sell for its interest after, in most instances, a lock-out period. Smaller partners may have no such rights. To the extent DIV or its affiliates conduct business through a third party, DIV and its affiliates perform due diligence to ensure that the third parties serve the best interests of the Funds’ investors.</p>

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

Item 11.A	<p>If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any <i>client</i> or prospective <i>client</i> upon request.</p> <p>DIV has adopted a Code of Ethics (the “Code”) designed to comply with the requirements of Rule 204A-1 of the Advisers Act. The Code applies to all DIV, DMC and Davis employees, including Access Persons (as defined in the company’s compliance manual), and immediate family members of Davis employee, and sets forth a standard of business conduct that takes into account DIV’s status as a fiduciary and requires Access Persons to place the interests of Funds and investors above their own interests. The Code requires Access Persons to comply with applicable federal securities laws. Further, all employees are required to promptly bring violations of the Code to the attention of DIV’s Chief Compliance Officer. All employees are provided with a copy of the Code and are required to acknowledge receipt of the Code of Ethics on at least an annual basis.</p> <p>Among other requirements, the Code sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. DIV’s Access Persons must provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. Such Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Rule 204A-1.</p> <p>The Code also addresses activities which may lead to or give the appearance of conflicts of interest or prohibited or unethical business conduct. This includes provisions relating to the protection of non-public information (for both investors and the Advisory Clients) and a prohibition of insider trading. It also includes limitations on outside affiliations, <i>de minimis</i> limits on reporting gifts and business entertainment items, the reporting of political contributions, and the cited limitations and supervision of personal securities transactions and holdings in reportable securities.</p> <p>Clients or prospective clients may obtain a copy of DIV’s Code by contacting the General Counsel, Managing Director & Chief Compliance Officer, Robert Kubica, at 617-451-1300 or by email at rkubica@thedaviscompanies.com.</p>
Item 11.B	<p>If you or a <i>related person</i> recommends to <i>clients</i>, or buys or sells for <i>client</i> accounts, securities in which you or a <i>related person</i> has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>Examples: (1) You or a <i>related person</i>, as principal, buys securities from (or sells to) your <i>clients</i>; (2) you or a <i>related person</i> acts as general partner in a partnership in which you solicit <i>client</i> investments; or (3) you or a <i>related person</i> acts as an investment adviser to an investment company that you recommend to <i>clients</i>.</p> <p>DIV, its officers, members and employees may invest in certain Funds for which DIV serves as investment manager or adviser. Besides owning interests in the same Funds, however, no person related with DIV is permitted to buy from, sell to, borrow from or lend to an Advisory Client without the applicable Fund Advisory Board’s approval, as more specifically set forth in the Advisory Clients’ governing documents. Moreover, DIV’s affiliates and related persons are subject to its policies and procedures regarding confidential or proprietary information, the information barriers and personal trading.</p>
Item 11.C	<p>If you or a <i>related person</i> invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a <i>related person</i> recommends to <i>clients</i>,</p>

	<p>describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.</p> <p>DIV employees invest alongside the Funds and co-investment vehicles. Certain conflicts of interest may arise based on such employees receiving a carried interest in the underlying Funds and the fact that such employees are afforded the opportunity to invest without the payment of management fees. The Funds have not historically invested in public securities other than certain CMBS positions. In the event the Funds invested in public securities, potential conflicts of interest could arise in connection with the personal trading activities of DIV's employees.</p> <p>In order to prevent such conflicts, DIV's Code is designed to ensure that the personal securities transactions of DIV and its affiliates, officers and employees, and members of their families, do not conflict with transactions effected on behalf of the Advisory Clients. Access Persons of DIV must (i) place the interests of the Advisory Clients and their investors first, (ii) avoid taking inappropriate advantage of their positions within the firm, and (iii) conduct their personal securities transactions in full compliance with the Code.</p> <p>As required by Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), DIV requires its Access Persons to report their securities transactions on at least a quarterly basis and disclose their securities holdings upon becoming an Access Person and on an annual basis thereafter. DIV also restricts the personal trading of its Access Persons. In particular, when applicable, DIV maintains a watch list containing the names of securities which Access Persons must pre-clear and may be prohibited from trading. DIV also maintains policies and procedures to prevent insider trading that are designed to prevent the misuse of material, non-public information. DIV's Access Persons are required to certify on an annual basis their compliance with such policies and procedures as well as the Code.</p>
Item 11.D	<p>If you or a <i>related person</i> recommends securities to <i>clients</i>, or buys or sells securities for <i>client</i> accounts, at or about the same time that you or a <i>related person</i> buys or sells the same securities for your own (or the <i>related person's</i> own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>Note: The description required by Item 11.A may include information responsive to Item 11.B, C or D. If so, it is not necessary to make repeated disclosures of the same information. You do not have to provide disclosure in response to Item 11.B, 11.C, or 11.D with respect to securities that are not "reportable securities" under SEC rule 204A-1(e)(10) and similar state rules.</p> <p>Please refer to the responses in Items 11.A, 11.B, and 11.C.</p>

ITEM 12 – BROKERAGE PRACTICES

Item 12.A.1	<p>Describe the factors that you consider in selecting or recommending broker-dealers for <i>client</i> transactions and determining the reasonableness of their compensation (e.g., commissions).</p> <p>1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.</p> <p>Note: Your disclosure and discussion must include all soft dollar benefits you receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.</p> <p>a. Explain that when you use <i>client</i> brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.</p> <p>b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your <i>clients’</i> interest in receiving most favorable execution.</p> <p>c. If you may cause <i>clients</i> to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits), disclose this fact.</p> <p>d. Disclose whether you use soft dollar benefits to service all of your <i>clients’</i> accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to <i>client</i> accounts proportionately to the soft dollar credits the accounts generate.</p> <p>e. Describe the types of products and services you or any of your <i>related persons</i> acquired with <i>client</i> brokerage commissions (or markups or markdowns) within your last fiscal year.</p> <p>Note: This description must be specific enough for your clients to understand the types of products or services that you are acquiring and to permit them to evaluate possible conflicts of interest. Your description must be more detailed for products or services that do not qualify for the safe harbor in section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution. Merely disclosing that you obtain various research reports and products is not specific enough.</p> <p>f. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for soft dollar benefits you received.</p> <p>Best Execution DIV’s advisory business generally involves privately negotiated transactions in which best execution obligations do not arise in the same context as transactions in publicly-traded securities. However, in those instances where DIV purchases or sells publicly-traded securities, it will, in those circumstances, seek to achieve the “best price and execution.” DIV maintains a policy and procedures to ensure best execution is sought,</p>
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	<p>seeking to obtain the best price available for the securities in each transaction. In so doing, DIV may take into account a number of factors, including a broker's trading expertise, reliability, responsiveness, reputation, execution, clearance, settlement and error correction capabilities, availability of securities to borrow or short sales, and the value of research it provides. DIV's policy and procedures include periodic monitoring by the CCO, and written copies of the review are maintained.</p> <p><u>Soft Dollars</u></p> <p>DIV, as a matter of policy, does not affect soft dollar transactions and does not enter into soft dollar arrangements in respect of transactions for any Advisory Clients.</p>
Item 12.A.2	<p><u>Brokerage for Client Referrals.</u> If you consider, in selecting or recommending broker-dealers, whether you or a <i>related person</i> receives <i>client</i> referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.</p> <ol style="list-style-type: none"> Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving <i>client</i> referrals, rather than on your <i>clients'</i> interest in receiving most favorable execution. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for <i>client</i> referrals. <p>Not applicable to DIV.</p>
Item 12.A.3	<p><u>Directed Brokerage.</u></p> <ol style="list-style-type: none"> If you routinely <u>recommend</u>, <u>request</u> or <u>require</u> that a <i>client</i> direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their <i>clients</i> to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of <i>client</i> transactions, and that this practice may cost <i>clients</i> more money. If you <u>permit</u> a <i>client</i> to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of <i>client</i> transactions. Explain that directing brokerage may cost <i>clients</i> more money. For example, in a directed brokerage account, the <i>client</i> may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the <i>client</i> may receive less favorable prices. <p>Note: If your clients only have directed brokerage arrangements subject to most favorable execution of client transactions, you do not need to respond to the last sentence of Item 12.A.3.a. or to the second or third sentences of Item 12.A.3.b.</p> <p>Not applicable to DIV.</p>
Item 12.B	<p>Discuss whether and under what conditions you aggregate the purchase or sale of securities for various <i>client</i> accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to <i>clients</i> of not aggregating.</p> <p>DIV provides investment advisory services to a select and limited number of distinct client portfolios at any given point in time, which primarily involve privately negotiated investments. Even in instances where DIV purchases publicly-traded securities, DIV will not be in a position to aggregate the purchase or sale of such securities for multiple client accounts.</p>

ITEM 13 – REVIEW OF ACCOUNTS

Item 13.A	<p>Indicate whether you periodically review <i>client</i> accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the <i>supervised persons</i> who conduct the review.</p> <p><u>Investment Reviews</u></p> <p>DIV neither tailors its advisory services to the individual needs of Advisory Clients or investors, nor accepts client-imposed investment restrictions unless documented in a side letter agreement that is approved by the CEO and President (and the Chief Compliance Officer also review and approve from a compliance perspective). In addition, the prospective investor’s understanding of the investment program is conveyed via the forwarding to DIV of a signed subscription agreement. The executive members of the investment committee and the Chief Investment Officer and Chief Portfolio Management Officer routinely review the portfolios. As part of these reviews, the investment professionals monitor operations, overall performance, financial performance, and strategic direction of each investment owned by the Funds.</p> <p>It is not typical for an investment to be appropriate for more than one Advisory Client. If this occurs, the allocation decision will be based on investment considerations regarding diversification, size of the position, holding period of the investment and available committed capital.</p> <p><u>Advisory Board</u></p> <p>To the extent outlined in the respective governing documents of the Funds, such Funds will each have an advisory board (the “Advisory Board”). The Advisory Board shall be comprised of voting members, appointed by the general partner of each Fund in its sole discretion. Such general partner may designate additional non-voting members to the Advisory Board. Voting members shall be representatives of limited partners of the applicable Fund. Non-voting members may include employees or affiliates of DIV. The Advisory Board shall meet periodically as specified in the applicable Fund’s governing documents and/ or upon request of the general partner to consult on various matters including financial statements, asset valuations, the status of existing investments, potential conflicts-of-interests and such other matters as the general partner may determine. Advisory Board approval shall be required (i) in order to waive diversification and leverage limits, extend an investment period or, in certain circumstances, the term of the Fund, decline certain investment opportunities and (ii) with respect to certain other matters involving potential conflicts of interests.</p> <p><u>Valuation</u></p> <p>As a fiduciary, DIV has an obligation to ensure that Fund assets are valued appropriately in order to provide the most accurate reporting possible. The fair market value of investor account assets shall be determined in accordance with the applicable Fund governing documents, as amended from time to time.</p> <p>DIV provides an internally generated asset valuation at least annually. Generally, valuations are not updated quarterly, unless significant interim events occur, such as new leasing, a pending sale, major market movements, etc. In conducting this internal valuation, DIV relies on current market data, as well as industry publications and guidance. DIV will use as a reference the valuation standards in the most recent version of the Real Estate Information Standards (REIS) which are prepared and updated by the National Association of Real Estate investment managers (NAREIM), the National Council of Real Estate Investment Fiduciaries (NCREIF) and the Pension Real Estate Association (PREA). For publicly traded securities within the Funds’ portfolio, pricing information is obtained from Broker-Dealers, and if such is not available, DIV will engage a pricing service such as that offered by Interactive Data Corporation (IDC).</p>
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	<p>It should be noted that DIV's valuation procedures are based on industry accounting and other industry standards. With respect to the Funds, DIV values its investments at their fair value, in accordance with the Financial Accounting Standard Committee's Accounting Standards Codification ("ASC") Topic 820-10, "Fair Value Measurements."</p> <p>For more detail on valuation procedures, clients or prospective clients may obtain a more information by contacting the General Counsel, Managing Director & Chief Compliance Officer, Robert Kubica, at 617-451-1300 or by email at rkubica@thedaviscompanies.com.</p>
Item 13.B	<p>If you review client accounts on other than a periodic basis, describe the factors that trigger a review.</p> <p>Please refer to Item 13.A.</p>
Item 13.C	<p>Describe the content and indicate the frequency of regular reports you provide to <i>clients</i> regarding their accounts. State whether these reports are written.</p> <p>Generally, investors will receive quarterly unaudited financial reports and/or investor distribution letters for the respective investment vehicle as well as investor capital account performance information. In addition, annual audited Fund financial statements are issued to investors.</p>

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Item 14.A	<p>If someone who is not a <i>client</i> provides an economic benefit to you for providing investment advice or other advisory services to your <i>clients</i>, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.</p> <p>Not applicable to DIV.</p>
Item 14.B	<p>If you or a <i>related person</i> directly or indirectly compensates any <i>person</i> who is not your <i>supervised person</i> for <i>client</i> referrals, describe the arrangement and the compensation.</p> <p>Note: If you compensate any person for client referrals, you should consider whether SEC rule 206(4)-3 or similar state rules regarding solicitation arrangements and/or state rules requiring registration of investment adviser representatives apply.</p> <p>DIV may enter into agreements with third party placement agents to act as solicitors for DIV's investment management business. Such placement agents are generally compensated as a percentage of investor's capital directly raised by the placement agents. Where a placement agent is utilized to raise capital on behalf of a Fund, DIV provides prospective investors in such Fund with disclosures relating to the placement agent's compensation (and associated conflicts) via Fund offering documents or separately. Prospective investors should review such disclosures carefully.</p> <p>A placement agent's receipt of the fees noted above presents an inherent conflict of interest for the placement agent in that the placement agent may have an incentive to recommend interests in a Fund to a prospective investor based on the fees it anticipates receiving from such sale (as opposed to the best interests of the prospective investor). Such a conflict will usually be mitigated (at least in part) by the placement agent's fiduciary duty to place the interests of its clients over its economic interests. Nevertheless, prospective investors should independently assess whether an investment in a Fund is in their best interests and appropriate aligned with their portfolios' investment objectives and guidelines, investment restrictions (if any), asset allocation guidelines and restrictions, liquidity needs, and overall risk/return profiles.</p> <p>Third party solicitation firms are generally compensated as a percentage of investor's capital directly raised by such third party pursuant to a schedule as described in the written selling agreement.</p>

ITEM 15 – CUSTODY

Item 15: If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.

DIV and the affiliated General Partner of a Fund are deemed to have constructive custody of such Fund's assets by virtue of their status as investment manager or General Partner of the Fund. In compliance with Rule 206(4)-2 under the Advisers Act, DIV or its affiliated Fund General Partner have: (i) established one or more custodial accounts with unaffiliated qualified custodians to hold Fund assets and (ii) reasonably believes that all investors in each Fund will be provided with audited financial statements for such Fund, prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of the Fund's fiscal year-end (*i.e.*, generally by April 30).

ITEM 16 – INVESTMENT DISCRETION

Item 16: If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

DIV, in conjunction with the General Partner (or equivalent thereof) of each Fund, has full investment discretionary authority to manage such Fund and therefore does not require, and does not seek, approval from the Fund or the investors in the Fund with respect to buy or sell investment decisions of interests in Fund on behalf of these investors. There are no Funds which are sub-advised by either affiliated or non-affiliated investment managers.

Each Fund's investment strategy is set forth in detail in its respective PPM and/or governing documents. Individual investors in the Funds do not have the ability to impose limitations on DIV's discretionary authority (except as set forth in the Funds' governing documents).

Prospective investors are provided with a PPM and/or applicable Fund governing documents prior to their investment in a Fund and are encouraged to carefully review all offering materials and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. When applicable, prospective investors must also execute a subscription agreement, in which they make various representations, including representations regarding their suitability to invest in a Fund.

ITEM 17 – VOTING CLIENT SECURITIES

Item 17.A	<p>If you have, or will accept, authority to vote <i>client</i> securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your <i>clients</i> can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your <i>clients</i> with respect to voting their securities. Describe how <i>clients</i> may obtain information from you about how you voted their securities. Explain to <i>clients</i> that they may obtain a copy of your proxy voting policies and procedures upon request.</p> <p>Fund governing documents may provide DIV with the authority to vote proxies with respect to the securities owned by a Fund. In such cases, each proxy proposal received by DIV will be thoroughly reviewed by DIV, as necessary, in order to ensure that such proxy is voted in the best interests of the Fund. As it relates to voting proxies, DIV is responsible for the management, policies and operations of each Fund, acting pursuant to and in accordance with each Fund’s partnership agreement and/or other governing documents.</p> <p>DIV has adopted proxy policies and procedures that it believes are reasonably designed to comply with the supervision and recordkeeping requirements of Rule 206(4)-6 of the Advisers Act. To the extent applicable, DIV will generally vote proxies or corporate actions based on what it considers to be in the best financial interest of the applicable Fund and their investors.</p> <p>If at any time, DIV and/or one of its affiliates become aware of a material conflict of interest relating to a particular proxy proposal, DIV will handle such proposal by requiring such proposal to be reviewed by the Chief Compliance Officer, who will determine how to vote the proxy in a manner consistent with the Funds’ best interest.</p> <p>To receive a copy of DIV’s proxy policy contact the General Counsel, Managing Director & Chief Compliance Officer, Robert Kubica, at 617-451-1300 or by email at rkubica@thedaviscompanies.com.</p>
Item 17.B	<p>If you do not have authority to vote <i>client</i> securities, disclose this fact. Explain whether <i>clients</i> will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) <i>clients</i> can contact you with questions about a particular solicitation.</p> <p>Not applicable to DIV.</p>

ITEM 18 – FINANCIAL INFORMATION

Item 18.A	<p>If you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, include a balance sheet for your most recent fiscal year.</p> <ol style="list-style-type: none"> 1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity. 2. Show parenthetically the market or fair value of securities included at cost. 3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X. <p>Note: If you are a sole proprietor, show investment advisory business assets and liabilities separate from other business and personal assets and liabilities. You may aggregate other business and personal assets unless advisory business liabilities exceed advisory business assets.</p> <p>Note: If you have not completed your first fiscal year, include a balance sheet dated not more than 90 days prior to the date of your brochure.</p> <p>Exception: You are not required to respond to Item 18.A of Part 2A if you also are: (i) a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules; or (ii) an insurance company.</p> <p>Not applicable to DIV.</p>
Item 18.B	<p>If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.</p> <p>Note: With respect to Items 18.A and 18.B, if you are registered or are registering with one or more of the state securities authorities, the dollar amount reporting threshold for including the required balance sheet and for making the required financial condition disclosures is more than \$500 in fees per client, six months or more in advance</p> <p>DIV does not require prepayment of fees and is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Advisory Clients.</p>
Item 18.C	<p>If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.</p> <p>Not applicable to DIV.</p>