

Item 1: Cover Page



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March 31, 2023

This Form ADV Part 2A (this “Brochure”) provides information about the qualifications and business practices of Safanad Inc. (“Safanad”, the “Firm”, or “we”). If you have any questions about the contents of this Brochure, please contact Sean Dailey, our Chief Compliance Officer, at (212) 468-5600 or by email to sdailey@safanad.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Safanad is registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Recipients of this Brochure should be aware that registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser’s skill or expertise. Further, registration does not imply or guarantee that a registered investment adviser has achieved a certain level of skill, competency, sophistication, expertise, or training in providing advisory services to its clients.

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

Item 2: Material Changes

The following is a discussion of the material changes to Safanad's Brochure since the previous annual update filed on March 31, 2022.

Changes to this Brochure include revisions and additions to the discussions in Item 4 on the Firm's advisory business, Item 5 and Item 6 on the adviser fee and compensation, the Item 7 discussion on the types of clients, Item 8 on the methods of analysis, investment strategies and risk of loss, Item 10 on financial industry affiliations, Item 11 on the code of ethics, participation or interest in client transactions and personal trading, Item 14 on client referrals and other compensation, and Item 15 on custody.

While Safanad does not believe that these changes are material, Safanad has made updates to the previous annual Brochure to enhance certain disclosures and provide additional information regarding certain risks of investing in our Clients and potential conflicts of interest that may arise in the course of our investment and other activities.

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Item 4: Advisory Business

A. General Description of Advisory Firm

Safanad Inc., a Delaware corporation founded in 2009, is a real estate and private equity-focused investment advisory firm. The Firm is an indirect wholly owned subsidiary of Safanad Limited. Safanad Limited is controlled by Bahamdan Investment Group and KB Group Holdings Ltd. The majority beneficial owner of the Firm is Kamal Bahamdan.

The Firm serves as an investment adviser to pooled investment vehicles (the “Funds” or “Clients”) and may in the future advise co-investment vehicles in connection with the Funds. Safanad generally conducts business through a variety of relying advisers and general partner or similar governing entities (each a “General Partner” and, collectively together with any future general partner or similar governing entities, the “General Partners”), all of which are either wholly owned by, or under common control with, Safanad (each, a “Relying Adviser” and, together with Safanad and their affiliated entities, “Safanad”).

Safanad and the Relying Advisers conduct a single advisory business and are registered with the SEC as part of a single registration. All investment advisory activities of Safanad and the Relying Advisers are subject to the Advisers Act and the rules thereunder, and any persons acting on behalf of Safanad or the Relying Advisers are subject to the supervision and control of Safanad and adhere to Safanad’s compliance manual and policies and procedures with respect to any such investment advisory activities. As such, this Brochure is intended to cover the investment advisory activities of Safanad and all of its Relying Advisers. For ease of reference, the terms “Safanad”, the “Firm”, or “we” are used throughout this Brochure and should be understood to include Safanad and, where applicable, all of its various Relying Advisers.

Please see Item 10 (Other Financial Industry Activities and Affiliations) for a list of all Relying Advisers.

The Firm’s primary place of business is located at 505 Fifth Avenue, 24th Floor, New York City, New York 10017-4902.

B. Description of Advisory Services

The Firm currently advises several Fund families comprising investments, located domestically or internationally, in charter schools and other alternative secondary schools, senior healthcare related facilities, real estate properties including hotel real estate and multifamily real estate and student housing and commercial office real estate properties. Each Fund is typically organized in a “master/feeder” fund structure in which the feeder funds generally invest all or substantially all of their assets in the relevant master fund. Each master fund/feeder fund structure typically contains special purpose vehicles and other investment entities that have been established for legal, regulatory or similar purposes that are managed or controlled by Safanad or its affiliates.

Safanad has in the past and is permitted to in the future, when provided for in a Fund's offering and Organizational Documents (as defined herein), also provide management, financial, administrative, operational or other non-investment advisory services to a Fund, or certain portfolio companies held by a Fund, for a fee.

The Firm also partners with other firms with respect to the management of Funds or investment vehicles and is permitted to, in the future, advise other types of Clients, including Funds, with different investment strategies than those currently advised.

The Firm does not participate in wrap fee programs.

Because the Firm generally does not provide individual advice to investors within a Fund, investors should consider whether a particular Fund meets their investment objectives and risk tolerance prior to investing. Information about a particular Fund can be found in its offering documents, including its private placement memorandum, and other governing documents (e.g. limited partnership agreement, limited liability company agreement, bylaws and articles and other similar agreements for non-U.S. investment vehicles, as applicable to a particular Fund) (the "Organizational Documents").

In structuring the Funds, the Firm considers the investment, legal, regulatory and tax objectives of its Clients and not the investment, legal, regulatory or tax objectives of any individual investor. However, in accordance with common industry practice, a Fund or its General Partner, from time-to-time, enters into a "side letter" or similar agreement with an investor pursuant to which the Fund or its General Partner grants the investor specific rights, benefits or privileges that are not generally made available to all investors. Please see Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) for additional details.

C. Client Assets Under Management

As of December 31, 2022, the Firm had \$1,292,581,914 in regulatory assets under management, all managed on a fully discretionary basis.

Item 5: Fees and Compensation

A. Adviser Fees and Compensation

The Firm's fee and compensation arrangements vary depending on the particular Fund. The specific arrangement for each Fund is described in its Organizational Documents. The Firm will generally reduce or waive the management fees and performance-based compensation payable by employees of the Firm or its affiliates, family members, General Partners or managing members to the Funds, or vehicles formed for the benefit of such persons or certain other investors as determined by the General Partner or the managing member of the applicable Fund,

as the case may be, in the sole discretion of such General Partner or managing member, and in accordance with the Fund's Organizational Documents.

As discussed above, Safanad has in the past and is permitted to in the future, when provided for in a Fund's offering and Organizational Documents, also provide management, financial, administrative, operational or other non-investment advisory services to a Fund, or certain portfolio companies held by a Fund, for a fee.

Management Fees

Safanad receives a base management fee for its services which, with respect to certain Funds, is shared with such Fund's operating partner or is in addition to the fee collected by such operating partner, depending on the circumstances of each investment.

Real Estate Funds

Management fees for Safanad's real estate Funds are generally based either on the capital contributions deployed by the Fund in the underlying investment vehicle, typically 1.50% per annum, or on the gross investment value, typically 50 to 65 basis points per annum, of the applicable Fund's portfolio of underlying investments (e.g. based on the initial purchase price of underlying investments or on the total amount paid for the Fund's underlying assets inclusive of the amounts acquired through leverage, closing costs and capital expenditures incurred in the acquisition plus any additional equity later provided to the Fund with respect to an investment or, in certain cases, based on the fair value of the underlying real estate held by the Fund).

Management fees based on gross investment value with a fee rate of 50 to 65 basis points can result in a management fee considerably higher than a fee based on other common valuation methods such as net asset value, which approximates the capital an investor has in a Fund inclusive of liabilities, even at higher fee rates.

For example, if a Fund has three dollars of leverage for each dollar of capital invested in the fund and the management fee rate specified in the Organizational Documents for the fund is 0.50% per annum on the gross investment value, then the equivalent fee for a Fund where the fee is based on net asset value would be 2.0% per annum.

Private Equity Funds

Management fees for Safanad's private equity Funds are generally based on aggregate capital committed by an investor or on net invested capital and provide for an annual management fee rate between 1.50% and 2.00%.

Investors should refer to the Organizational Documents for a Fund for specific terms of the management fees for that Fund.

Performance-Based Allocations or Compensation

The terms of each Fund generally provide for the allocation of a portion of its net investment profits in the form of performance-based allocations, incentive fees or carried interest (“incentive fees”) to a special purpose entity affiliated with the Firm, after Fund investors have received a return of capital (either with respect to a particular investment or all of the Fund’s investments) and a preferred return, in accordance with the Fund’s Organizational Documents or the Organizational Documents of an entity in which the Fund invests. Thereafter, net investment profits are generally allocated so that a special purpose entity affiliated with the Firm is entitled to 15% to 20% of net investment profits and the remaining 80% to 85%, as applicable, is allocated to the investors.

Depending on the investment, the incentive fee, if any, with respect to certain Funds is shared with the Fund’s joint venture partner. The incentive fee is, in certain instances, determined at the level of a subsidiary of the Fund and calculated based on the net investment profits received at the level of such subsidiary (rather than the net investment profits to the investors in the Fund).

The terms for incentive fees for the Funds vary. Investors should refer to the Organizational Documents for a specific Fund for specific terms of the incentive fees for that Fund.

B. Payment of Fees

Management fees are payable on (a) a monthly or a quarterly basis in arrears, (b) a quarterly basis in advance (in which case Clients could be entitled to a refund of management fees paid in advance depending upon the facts and circumstances) or (c) upon the disposition of an investment.

Incentive fees will generally be paid when distributions to a Fund or to investors in the Fund (including current income, proceeds from a disposition or proceeds from a refinancing of the underlying Fund assets) exceed the relevant threshold stipulated in the Fund’s Organizational Documents.

C. Other Fees and Expenses

In addition to being subject to management fees and incentive fees, the Funds incur other expenses, including costs relating to an individual Fund’s own operations. These include, but are not limited to, organizational expenses, principal, interest, fees, expenses and other amounts payable in respect of financings, costs of third-party services including legal, accounting, tax preparation fees, compliance and other professional costs, costs relating to custody of assets of the Fund and its subsidiaries (including any related audits required under regulatory guidelines), any insurance, indemnity or litigation expenses, all costs of administration, including preparation of financial statements and reports to the Fund’s investors, costs of meetings of investors, if any, and any taxes, fees or other governmental charges levied against the Fund.

Fund expenses relating to portfolio holding companies, a master fund and any related special purpose vehicles and any subsidiaries of the foregoing include (i) fees, costs and expenses in

connection with the investment by the master fund in a portfolio holding company and the investments held directly or indirectly by the portfolio company and (ii) transaction costs, including reasonable out-of-pocket expenses, the costs of transaction structuring, due diligence expenses (whether or not the transaction or investment is consummated) and other costs associated with the transaction consummation. Each feeder fund will generally bear its own costs and its allocable portion of the fees, costs and expenses born by other investors in such master fund.

Transaction costs incurred in connection with pursuing transactions that are ultimately not consummated ("Broken Deal Expenses") will generally be borne solely by the Funds, in accordance with the Funds' Organizational Documents, even if co-investors were being sought or in some cases have agreed to participate had the transaction been consummated. Such co-investors may include those with whom the Firm has pre-existing relationships, as well as co-investors that have participated in other completed transactions. By generally bearing the Broken Deal Expenses, the Funds provide a potential benefit to other co-investors in the Funds' investments.

D. Additional Compensation Information and Conflicts of Interest

The Firm, its affiliates, and/or its partners have in the past and are permitted to in the future, when provided for in a Client's offering and Organizational Documents, receive certain transaction fees, reimbursements for due diligence and other transaction-related services in connection with investments, re-financings, capital expenditures, real property investments, property management, accounting, tenant service fees, reimbursement for use of office space and equipment and similar fees necessary for the operation of real property, along with property development, general contractor, construction, redevelopment and asset management, as applicable.

The applicable Organizational Documents of a Fund generally have provisions that allow such Fund to borrow money for investment and other purposes, in certain cases from affiliates of a Fund. This ability may defer investor capital calls and provide a form of leverage that can have the effect of amplifying a Fund's reported net internal rate of return, particularly in the early years of a Fund's investment cycle. Such borrowings can also accelerate the date upon which a Fund's preferred return, if applicable, will be achieved for purposes of determining when the applicable General Partner (or affiliates that earn incentive fees) are entitled to begin receiving incentive fee payments on distributions from a Fund.

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

As described in Item 5 (Fees and Compensation), the Organizational Documents for each of the Funds or entities in which they invest generally provide for the charging of incentive fees. Incentive fees are subject to regulation under Section 205 of the Advisers Act and Rule 205-3 thereunder.

These incentive fee arrangements create an incentive for the Firm's personnel to make more speculative, riskier, or higher-yielding investments than they would otherwise make in the absence of such incentive fee compensation. In addition, in allocating investment opportunities the Firm also has an incentive to favor Funds with a potential for performance-based compensation or greater performance-based compensation over Funds with lesser performance-based compensation. The Firm has adopted investment allocation policies that are designed to ensure that, over time, all of its Clients are treated in a fair and equitable manner with respect to the allocation of investment opportunities.

Although our Clients typically do not have overlapping investment periods and investment targets, certain inherent conflicts of interest may arise from the fact that we provide investment management services to several Clients. In the relatively unusual circumstance that we have the discretion to allocate an investment opportunity among multiple Clients, we endeavor to treat all Clients in a fair and equitable manner and in any event are bound by the applicable Fund's Organizational Documents and our fiduciary duty to all Clients. Please see Item 10 (Other Financial Industry Activities and Affiliations) for additional information about investment allocations.

Item 7: Types of Clients

The Firm's clients are the Funds. The Funds are exempt from registration under the Investment Company Act of 1940, as amended, and the interests in the Funds are offered pursuant to the private placement exemptions provided by Section 4(a)(2) of the Securities Act of 1933, as amended, Regulation D and/or Regulation S promulgated thereunder.

Each of the Funds imposes minimum investment requirements for admission as a limited partner or member, as the case may be. Minimum investment requirements for the Funds are set forth in each Fund's Organizational Documents and are generally waived with respect to investors who are employees of the Firm or its affiliates, family members, managing members to the Funds, or vehicles formed for the benefit of such persons or certain other investors as determined by the General Partner or managing member, and in accordance with each Fund's Organizational Documents.

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

Each of the Firm's core investment strategies involve significant risks, many of which are outside of Safanad's control. Investing in securities, real estate and other investments involve significant risks, including the risk that Clients (and, in turn, the underlying investors in such Clients), could lose some or all of any invested capital. An investment in a Client will typically provide limited

liquidity as there are significant restrictions on transferability of and withdrawals from interests in a Client. In many cases, there is no withdrawal mechanism.

A. Investment Strategies

Safanad is a real estate and private equity-focused investment firm.

Each of the Firm's investment strategy portfolios is designed with a target return commensurate with the anticipated holding period as well as the associated liquidity and risk objectives. We prioritize capital preservation while balancing income and growth objectives according to the liquidity and risk inherent in each strategy. We believe that the longer-term time horizons that successful investments in private equity and real estate offer suit our aim of generating appropriate returns over time.

B. Method of Analysis

Due to the dynamic nature of the industries in which the Firm specializes, the acquisition criteria that assist in defining a target investment generally vary depending on a number of factors, including asset type, location, market characteristics, industry characteristics and affiliation to the industries within which the Firm has already invested. The holistic appraisal of a potential acquisition generally will include assessment of the following:

- Operator history and experience;
- Reputation in the marketplace of the company, facility and/or operator;
- Ability to leverage the existing expertise and network of the Firm in the target industry;
- The expertise of the senior management teams within a private equity operating company or as an operator of a real estate venture;
- Loan-to-value ratios (leverage potential);
- Financial analysis indicators, such as quality of earnings analysis;
- Government and individual payment mix, including occupancy level in any acquired facilities;
- Direct competition;
- Government reimbursement risk and litigation environment (as applicable);
- Environmental and physical condition of any acquired properties; and
- Due diligence results and underwriting terms.

The Firm generally will explore and analyze multiple exit scenarios and corresponding valuations before consummating an investment and will seek to refine its exit strategy as investments mature and markets evolve. The Firm devotes substantial internal and appropriate external resources to the task of realizing Fund investments and seeks to take a proactive approach to understanding and capitalizing on value changes.

C. Material Risks (Including Significant or Unusual Risks) Relating to the Firm's Investment Strategy

There can be no assurance that the Firm's investment objectives will be achieved or that its Clients will receive a return on capital. An investment in a Fund involves a high degree of risk. The following list of risk factors do not purport to be a complete list or explanation of the risks involved in an investor making an investment in a Fund managed by the Firm. These risk factors include only those risks the Firm believes to be material, significant or unusual and relate to particular investment or regulatory and legal risks associated with an investment. The Organizational Documents of the relevant Fund include a more complete description of the risks of investing in such Fund.

Nature of Private Equity Investments

Private equity securities generally represent the most junior position within an issuer's capital structure and are therefore subject to the greatest risk of loss. Targeted returns will reflect the assumed level of risk, but there can be no assurance that a Fund will be adequately compensated for risks taken. The Fund would not typically receive interim cash dividends or other distributions on its private equity investments during its holding period but would realize its entire return upon eventual redemption or sale. The timing of ultimate realization is highly uncertain, as there can be no assurance that the issuer will be able to generate sufficient cash to redeem them, and these securities will have no readily available market for liquidity. As a result, the holding period for these securities may be lengthy.

Disposition of Private Investments

A Fund's investments typically involve private securities, which are generally more difficult to sell than publicly traded securities, as there is often no liquid market which may result in selling investments (or interests therein) at a discount. In connection with the disposition of an investment in private securities, a Fund will likely be required to make representations about the business and financial affairs of the applicable investment entity typical of those made in connection with the sale of a business. A Fund also may be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These arrangements may result in the incurrence of contingent liabilities that may ultimately yield funding obligations that must be satisfied by the Fund investors to the extent of distributions made to such Fund investors.

Joint Venture Investments

Some Funds co-invest with operating partners through joint ventures entities. In such event, the Firm, on behalf of the applicable Fund family, does not have sole decision-making authority regarding the underlying property or other asset.

The operating partners normally have primary responsibility for the day-to-day management of the underlying investments of such Funds. Investments in partnerships, joint ventures or other entities with operating partners, under certain circumstances, involve risks not present were a third party not involved, including the possibility that the third party may become bankrupt or fail to fund their share of required capital contributions.

Such operating partners also may have economic or other business interests or goals that are inconsistent with the applicable Fund's business interests or goals and may be in a position to take actions contrary to such interest or goals.

Disputes between the Firm and an operating partner may result in litigation or arbitration that would increase a Fund's expenses and prevent the Safanad team from focusing its time and effort exclusively on the business. In addition, a Fund may in some circumstances be liable for the actions of such operating partner.

Illiquidity of Investments and Restrictions on Transfers

An investment in a Fund will typically provide limited liquidity to investors as there are significant restrictions on transferability of and withdrawals from interests in a Fund.

Risks of Leverage

The use of leverage may increase the return on a Fund's investment, but it will also create greater potential for loss.

The principal form of leverage utilized by the Firm is mortgage indebtedness for its real estate investments.

The Firm employs significant leverage where the Firm believes it will increase a Fund's return on equity. In the majority of cases, leverage is not incurred by the Fund itself but by the underlying investment entity that owns the assets in which the Fund has an indirect interest. These assets are generally pledged as security to the respective lenders against the leverage provided.

Although the Firm limits the aggregate amount of leverage that may be incurred against each Fund's underlying investments, a Fund's leverage percentage may effectively increase in the event that the value of such Fund's assets declines. Further, there can be no assurance that any Fund will incur leverage with respect to its investments, nor as to the amount of leverage, if any, or as to whether the use of leverage will increase the return on a Fund's equity.

While, as discussed above, the Firm intends for each Fund to maintain a maximum overall limit on leverage against the Fund's aggregate portfolio value, there remains a risk that the Fund's overall leverage will in fact be higher and that the Fund may not have funds sufficient to repay such indebtedness at maturity and it may be necessary for the Fund to refinance indebtedness through additional debt financing or equity offerings.

If the Funds are unable to refinance this indebtedness on acceptable terms (or at all), then the Fund may be forced to dispose of properties on disadvantageous terms, which could result in losses to the Fund and adversely affect the returns and the amount of cash available for distribution to the Investors.

If prevailing interest rates or other factors result in higher interest rates at a time when the Fund must refinance such indebtedness, the Fund's interest expense would increase, which would adversely affect the Fund's results of operations and its ability to pay expected distributions to Investors. Further, if a property is mortgaged to secure payment of indebtedness and the Fund is unable to meet mortgage payments, the property could be foreclosed upon by, or otherwise transferred to, the mortgagee with a consequent loss of income and asset value to the Fund.

Even with respect to nonrecourse indebtedness, the lender may have the right to recover deficiencies from the Fund in certain circumstances, including fraud and environmental liabilities.

The use of leverage also commits the Fund or their tenants to certain financial and other covenants which, if breached, may require leverage to be reduced or repaid, or income from the Fund's assets to be required to be paid directly to the relevant lenders.

Interest Rate, Currency Fluctuation and Hedging Risks

A Fund's performance may be adversely affected by a fluctuation in interest rates if it utilizes floating rate financing and fails to employ an effective hedging strategy to mitigate such risks, including engaging in interest rate swaps, caps, floors and other interest rate contracts, and buying and selling interest rate futures and options on such futures.

Should a Fund's investment elect to employ such a hedging strategy (and it will be under no obligation to do so), the use of these instruments to hedge a portfolio's currency or interest rate exposure carries certain risks, including the risks that losses on a hedge position will reduce the Fund's earnings and funds available for distribution to the Funds Investors and that such losses may exceed the amount invested in such instruments.

Even if used, hedges may not perform their intended purposes of minimizing and offsetting losses on an investment.

Inability to Obtain Debt Financing

Difficult conditions in credit markets may make it difficult for a Fund to obtain favorable financing terms for its investments. Any deterioration of the debt markets, any possible future failures of certain financial services companies and a significant rise in market perception of counterparty default risk, interest rates and/or taxes may adversely affect the Funds' ability to generate attractive risk-adjusted investment returns. The Firm expects that the return on investment of one or more Funds may be dependent upon the applicable Fund's ability to obtain debt financing.

As a result, the Fund's ability to achieve attractive rates of return on investments may depend upon the continued ability of the Fund to access sufficient sources of indebtedness at attractive rates, and it is possible a Fund may not be able to obtain financing on favorable terms or at all.

Changing Economic Conditions

The success of the Firm's investment strategy could be significantly impacted by changing external economic conditions in the U.S. and global economies. The stability and sustainability of growth in global economies may be impacted by social, political, economic and other conditions and events (such as natural disasters, supply-chain disruptions, geo-political events, economic sanctions, epidemics and pandemics, terrorism, acts of war, corruption, sanctions, conflicts and social unrest). Changing economic conditions could potentially adversely impact a Fund, the financial and operational performance of its portfolio companies, and the value of its investments.

Use of Valuations

Unlike exchange-listed and other readily tradable securities, real estate and private equity assets generally cannot be marked to an established market. Instead, an appraisal or a valuation is only an estimate of value and is not a precise measure of realizable value.

Real estate and private equity valuations are subject to numerous assumptions and limitations. Ultimate realization of the market value of an investment depends to a great extent on economic and other conditions beyond the control of the Fund and the Firm. Further, appraised or otherwise determined values do not necessarily represent the price at which an investment would sell since market prices of an investment can only be determined by negotiation between a willing buyer and seller.

Valuations of an investment in the real estate or private equity arena should be considered only estimates of value and not measures of realizable value with respect to such assets. As a result, if a Fund were to liquidate a particular investment, the realized value may be more or less than the appraised value or valuation of such asset.

Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes could occur that adversely affect the Funds or investors.

Certain of the Funds invest in industries that operate in highly regulated environments and are subject to extensive legal and regulatory restrictions and limitations and to supervision, examination and enforcement by regulatory authorities.

New and existing regulations and burdens of regulatory compliance may directly impact the business and results of the operations of, or otherwise have a material adverse effect on, portfolio companies. Failure to comply with any of these laws, rules and regulations, some of which are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines, which may have a material adverse effect on a Fund.

Litigation

Because of the nature of the Firm's investments in certain highly regulated industries, the Firm may be subject to claims and litigation alleging negligence, inadequate supervision or other

grounds for liability arising from injuries or other harm to the people these portfolio companies serve, including seniors and children on our education and healthcare platforms. The portfolio companies may also be subject to employee claims based on, among other things, discrimination, harassment or wrongful termination. The portfolio companies face the risk that additional lawsuits may be filed which could result in damages and other costs that the portfolio companies' insurance may be inadequate to cover. Such allegations may result in publicity that may materially and adversely affect the portfolio companies, regardless of whether such allegations are valid.

U.S. Committee on Foreign Investment in the United States

Certain investments by a Fund may be subject to review by the U.S. Committee on Foreign Investment in the United States ("CFIUS") or another non-U.S. government regulator with respect to potential national security risks. CFIUS is an inter-agency U.S. federal government group authorized to review the national security risks associated with foreign acquisitions of or investments in U.S. businesses and to block transactions or impose measures to mitigate any threats to U.S. national security. The 2018 Foreign Investment Risk Review and Modernization Act, expanded the scope of transactions subject to CFIUS review to include certain non-controlling but non-passive foreign investments in U.S. businesses involved in critical technologies, critical infrastructure, or sensitive personal data of U.S. citizens as well as real estate transactions—including leases, sales, and concessions—involving air or maritime ports or in close proximity to sensitive U.S. government facilities. CFIUS has blocked, imposed mitigation upon, or forced the divestiture of numerous foreign investments in U.S. businesses based on potential national security risks, and similar non-U.S. regulators have also increased their scrutiny of foreign direct investment.

In the event that CFIUS or another regulator reviews one or more of a Fund's proposed or existing investments, the Fund may be unable to maintain, or proceed with, such investments on terms acceptable to the Fund. CFIUS or another regulator may also seek to impose limitations on or prohibit one or more of a Fund's investments. Such limitations or restrictions may prevent a Fund from maintaining or pursuing investments, which could limit the number of available investments to a Fund or cause investments to be sold in unfavorable market environments, and in turn adversely affect a Fund's performance. In addition, non-U.S. limited partners investing in the Funds represent, and are expected to continue to represent, a substantial portion of the Funds' aggregate capital commitments. This fact may increase the likelihood that investments by a Fund may be subject to review by CFIUS and the risk that limitations or restrictions will be imposed by CFIUS or other non-U.S. regulators on a Fund's investments.

Real Property Ownership and Real Estate Risks Generally

Certain of the Funds invest in real property investments, which are subject to a degree of risk.

These investments are affected by various factors, including changes in general economic conditions (such as the availability of long-term mortgage funds) and in local conditions (such as an oversupply of space or a reduction in demand for real estate in the area), the attractiveness of the properties to tenants, competition from other available space and various other factors.

Overbuilding in any of the market areas in which a Fund invests could cause the properties in which it invests to experience decreased occupancy or depressed margins, which could adversely affect the business, results of operations and financial condition of the Fund or entities in which it invests. Moreover, certain significant expenditures involved in real property investments, such as real estate taxes, maintenance costs and mortgage payments, represent liabilities that must be met regardless of whether the property is producing any income.

Real property investments are relatively illiquid, thereby limiting the ability of the Fund to vary its portfolio in a timely manner in response to changed economic or investment conditions. There is a risk that the Fund or an entity in which it invests would not be able to sell its assets or that it may realize sale proceeds below the current book value of its properties.

Liability claims may have an adverse effect on the Funds, and their insurance coverage may be inadequate.

The services offered by the entities in which a Fund invests, or the operators of the Fund's real estate holdings, involve an inherent risk of professional liability and related substantial damage awards.

The entities in which certain of the Funds invests may employ thousands of nurses, therapists and other direct care personnel driving to and from patients' homes where they deliver medical and other care. Due to the nature of the business, the caregivers who provide services may be the subject of medical malpractice claims. These caregivers could be considered agents, and, as a result, the Funds could be held liable for their medical negligence. The insurance policies of the Funds or the entities in which they invest may be inadequate to cover any resulting losses.

Real estate historically has experienced significant fluctuations and cycles in value, and specific market conditions may result in reductions in the value of real properties in which a Fund owns interests. The marketability and value of a Fund's real property interests will depend on many factors beyond the control of such Fund, including: (a) changes in general or local economic conditions; (b) changes in the supply of, or the demand for, competing properties in a geographic area; (c) changes in interest rates; (d) availability of credit; (e) the promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety; (f) unavailability of mortgage funds that may render the sale of a property difficult; (g) the financial condition of tenants, buyers and sellers of properties; (h) changes in real estate tax rates and other operating expenses; (i) energy costs and energy supply shortages; (j) inflation rates; (k) changes in applicable laws and regulations (including laws relating to taxation of the Fund's investments), (l) trade barriers; (m) local political, environmental and socioeconomic circumstances; (n) various uninsured or uninsurable risks; and (o) acts of God, natural disasters and global health pandemics or epidemics. These factors may affect the level and volatility of securities prices and the liquidity of a Fund's investments, which could impair such Fund's profitability or result in losses. In addition, general fluctuations in the market prices of securities and interest rates may affect the Fund's investment opportunities and the value of such Fund's investments. A recession, slowdown and/or sustained downturn in the global

economy or the U.S. real estate market (or any particular segment thereof) or a weakening of credit markets (including a perceived increase in counterparty default risk) will have a pronounced impact on a Fund and could adversely affect such Fund's profitability, impede the ability of such Fund's properties or portfolio entities to perform under or refinance their existing obligations and impair such Fund's ability to effectively deploy its capital or realize upon investments on favorable terms and may have an adverse impact on the availability of credit to businesses generally, which in turn may have an adverse impact on the business and operations of such Fund. In addition, economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could adversely affect global economic conditions and world markets and, in turn, could adversely affect a Fund's performance. Any of the foregoing events could result in substantial or total losses to such Fund in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in a property's or portfolio entity's capital structure

Risks Associated with Property Acquisitions

A Fund may acquire, directly or indirectly, equity interests in real estate. These acquisition activities are subject to many risks. A Fund may acquire properties through foreclosure or interests in properties that are subject to liabilities or that have problems relating to environmental condition, state of title, physical condition or compliance with zoning laws, building codes or other legal requirements. In each case, such Fund's acquisition of real estate may be without any recourse, or with only limited recourse, with respect to unknown liabilities or conditions. As a result, if any liability were asserted against a Fund relating to those properties, or if any adverse condition existed with respect to the properties, such Fund might have to pay substantial sums to settle or cure it, which could adversely affect the cash flow and operating results of such Fund.

Risks of Engaging in Development, Renovation or Maintenance Activities

A Fund may own interests in properties that require development, renovation or deferred maintenance. There may be unanticipated delays in the completion of such projects due to factors beyond the control of such Fund. These factors may include: (a) strikes; (b) adverse weather; (c) changes in building plans and specifications; (d) material shortages; and (e) increases in the costs of labor and materials. Delays in completing any project will cause corresponding delays in the receipt of operating income and, consequently, the distribution of any cash flow by a Fund with respect to such project. In addition, the estimated costs and schedules of developing and constructing buildings and related landscaping may be affected by changes in construction plans and specifications or by other unforeseen events, any of which may cause additional expenses to be incurred, which likely will be borne by such Fund. Any delay in completing a project may result in increased interest and construction costs, the potential loss of purchasers or tenants and the possibility of defaults under project financings. There is also the risk that inadequate oversight over local contractors, architects or engineers may result in poor quality construction or the diversion of funds intended for construction, and the quality of construction generally may not be commensurate with appropriate standards, resulting in potential difficulties in obtaining all authorizations necessary for operation. Because of the long lead time between

the inception of a project and its completion, a well-conceived project may, as a result of changes in real estate market, economic and other conditions prior to its completion, become an economically unattractive investment. Moreover, properties that require development may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion.

General Risks Associated with Hotel and Resort Properties

A Fund's portfolio could include investments related to hotel and resort properties. Various factors may adversely affect the economic performance of a hotel or resort, including, but not limited to: (a) adverse economic and social conditions (which may limit the amount that can be charged for a room and reduce occupancy levels); (b) construction of competing hotels or resorts; (c) continuing expenditures for modernizing, refurbishing and maintaining existing facilities prior to the expiration of their anticipated useful lives; (d) a deterioration in the financial strength or managerial capabilities of the operator of the hotel or resort; (e) changes in travel patterns caused by changes in access, energy prices, strikes, relocation of highways, the construction of additional highways, concerns about travel safety; (f) competition with other hotels and resorts, which may have superior marketing and financing resources; (g) competition and pricing pressure from internet wholesalers and distributors; and (h) competition and pricing pressure from hotel alternatives such as home-share providers and peer-to-peer networks. Because rooms generally are rented for short periods of time, the financial performance of hotels and resorts tends to be affected by adverse economic conditions and competition more quickly than other commercial properties.

Management of a Fund's Real Estate Investments

Hotel operators, property managers and tenants may be responsible for the maintenance and other day-to-day management of a Fund's properties. If a property is not adequately maintained in accordance with the terms of the applicable lease or agreement, such Fund may incur expenses for deferred maintenance expenditures or other liabilities once the relationship is terminated.

Residential Rental Properties

A Fund may make investments in multifamily properties. A large number of factors may adversely affect the value and successful operation and disposition of such properties, including: physical attributes of the apartment building or rental unit such as its age, condition, design, appearance, access to transportation and construction quality; location of the property (for example, a change in the neighborhood over time or proximity to newly constructed commercial areas); the 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, which may encourage tenants to purchase rather than lease housing; presence of competing properties; the tenant or neighborhood mix (such as the tenant population being predominantly students or being heavily dependent on workers from a particular business or personnel from a local military base); any reliance upon governmental programs that provide rent subsidies to tenants pursuant to tenant voucher programs, which vouchers may be used at other

properties and influence tenant mobility; adverse local or national economic conditions, which may limit the amount of rent that may be charged and may result in a reduction of timely rent payments or a reduction in occupancy levels; state and local regulations, which may affect the building owner's ability to increase rent to market rent for an equivalent apartment; and government assistance/rent subsidy programs.

In addition, certain jurisdictions regulate the relationship of an owner and its tenants. Commonly, these laws require a written lease, good cause for eviction, disclosure of fees, and notification to residents of changed land use, while prohibiting unreasonable rules, retaliatory evictions, and restrictions on a resident's choice of unit vendors. Apartment building owners have been the subject of suits under state "Unfair and Deceptive Practices Acts" and other general consumer protection statutes for coercive, abusive or unconscionable leasing and sales practices. A few jurisdictions offer more significant protection. For example, there are provisions that limit the bases on which a landlord may terminate a tenancy or increase its rent or prohibit a landlord from terminating a tenancy solely by reason of the sale of the owner's building. In addition to state and provincial regulation of the landlord-tenant relationship, numerous counties and municipalities impose rent control on apartment buildings. These ordinances may limit rent increases to fixed percentages, to percentages of increases in the consumer price index, to increases set or approved by a governmental agency, or to increases determined through mediation or binding arbitration.

Condominium Properties

A Fund may invest in condominium properties. A large number of factors may adversely affect the value and successful operation of a condominium property, including adverse economic and social conditions, either local, regional or national (which may impact the selling price of units); construction of competing condominiums; continuing expenditures for modernizing, refurbishing and maintaining existing facilities prior to the expiration of their anticipated useful lives; a deterioration in the financial strength or managerial capabilities of the relevant board of managers; physical attributes of the building such as its age, condition, design, appearance, access to transportation and construction quality; location of the property (for example, a change in the neighborhood over time and the types of services or amenities that the property provides); and the property's reputation. In that respect, a board of managers of a condominium building has broad discretion to make decisions concerning the operations of the building, including assessments to be paid by the unit owners, insurance to be maintained on the building, restoration following a casualty and many other decisions that affect the value of such building. There is no assurance that such Fund will have any control over decisions made by the relevant board of managers or that the board of managers will always act in the best interests of such Fund, as it must consider the rights of unit owners, the documents governing the management of the condominium units and the state and local laws applicable to condominium units.

Risks Inherent in the Student Housing Industry

Certain of the Funds make investments in the student housing industry and are subject to the risks of that industry.

The entities in which the Funds invest generally lease their properties under 12-month leases, and in certain cases, under nine-month or shorter-term semester leases. As a result, these entities may experience significantly reduced cash flows during the summer months at properties with lease terms shorter than 12 months. Furthermore, all of the properties must be entirely re-leased each year, exposing the Fund to increased leasing risk. Student housing properties are typically leased during a limited leasing season that usually begins in January and ends in August of each year.

Each Fund is therefore highly dependent on the effectiveness of marketing and leasing efforts and personnel during this season. Changes in university admission policies (such as a reduction in admissions or increased availability of university-owned housing) could adversely affect the applicable Fund.

Development and Construction Risks

Certain of the Funds can acquire undeveloped or underdeveloped properties and, in such circumstances, the applicable Fund will be subject to the risks normally associated with such assets and development activities, including risks relating to the cost and timely completion of construction (including risks beyond the reasonable control of the Firm, such as weather or labor conditions or material shortages), the availability of both construction and permanent financing on favorable terms and risks that the properties will not achieve anticipated sales or occupancy levels or sustain anticipated rent levels.

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 applicable Fund.

There is also the risk that inadequate oversight over local contractors, architects or engineers may result in poor quality construction or the diversion of funds intended for construction. Also, the quality of construction generally may not be commensurate with appropriate standards, resulting in potential difficulties in obtaining all authorizations necessary for operations.

Properties under development tend to receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development, which may make such development less attractive than at the time it was commenced.

Real estate assets undergoing new construction may be subject to cost overruns and delays.

Delays may be beyond the control of the applicable Fund and hence cannot always be fully mitigated, so there can be no assurance that the Fund will be successful in mitigating construction risks. Should delays occur, an investment may be subject to a longer holding period, possibly decreasing the return to the applicable Fund and its investors. Any increased construction costs could materially and adversely affect the return on the applicable Fund's investments.

Risks Inherent in Office Properties

Certain of the Funds invest in office properties and office-type properties.

A large number of factors may adversely affect the value of office properties, including:

- The quality of an office building's tenants;
- Increased work from home opportunities;
- An economic decline in the business operated by the tenants;
- 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;
- The diversity of the office building's tenants (or reliance on a single or dominant tenant);
- The desirability of the area as a business location; and
- The strength and nature of the local economy, including:
 - Labor costs and quality;
 - Tax environment;
 - Quality of life for employees;
 - Adverse change in population;
 - Patterns of telecommuting or sharing of office space; and
 - Unemployment growth (which may reduce demand for office space).

The inability of a tenant to pay rent for any reason could adversely affect a Fund that invests in office properties because the Fund's revenues are derived indirectly primarily from rental payments and reimbursement of operating expenses under its leases. If tenants, especially significant tenants, fail to make rental payments under their leases, the Fund's financial condition, cash flows, and ability to make distributions to investors could be adversely affected.

Environmental Risks

The Funds that invest in real estate or real estate related assets are subject to environmental risks.

Under various U.S. federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real estate may be required to investigate and clean up any hazardous or toxic substances or petroleum product releases at such property and may be liable to a governmental entity or to third parties for property damage and for investigation and cleanup costs incurred by such parties in connection with contamination.

These laws typically impose clean-up responsibility and liability without regard to whether the owner knew of, or caused the presence of, the contaminants, and the liability under such laws has been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of responsibility.

The cost of investigation, remediation or removal of such substances may be substantial, and the presence of such substances or the failure to properly remedy the contamination on such property may adversely affect the owner's ability to sell or rent such property or to borrow using such property as collateral. Persons who arrange for the disposal or treatment of hazardous or toxic substances or petroleum products at a disposal or treatment facility may also be liable for the costs of removal or remediation of a release of hazardous or toxic substances or petroleum products at such disposal or treatment facility, whether or not the facility is owned or operated by such person.

In addition, some environmental laws create a lien on the contaminated site in favor of the government for damages and costs it incurs in connection with contamination. The owner of a site may also be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from a site.

In connection with its operation of real estate, the Funds or the operators of the Fund's real estate holdings may incur liability for such costs.

Certain U.S. federal, state and local laws, regulations and ordinances govern the removal, encapsulation or disturbance of asbestos-containing materials ("ACMs") when such materials are in poor condition or in the event of construction, remodeling, renovation or demolition of a building. These laws may impose liability for release of ACMs and may provide for third parties to seek recovery from owners or operators of real property for personal injury associated with ACMs. In connection with its operation of real estate, the Funds may incur liability directly or indirectly for such costs.

Effects of Climate Change

A Fund may make investments located in coastal markets which may be subject to greater risks associated with the physical effects of climate change including hurricanes, more frequent storms, flooding and rising sea levels. As a result, such Fund may become subject to significant losses and/or repair costs that may or may not be fully covered by insurance. Climate change may also lead to an increase in the cost of (or unavailability of) property insurance on terms we find acceptable in areas most vulnerable to risks.

Risks Relating to Regulation of Healthcare Industry

Certain of the Funds invest in the healthcare industry.

The extensive U.S. federal, state and local laws and regulations affecting the healthcare industry include, but are not limited to, laws and regulations relating to licensure, certification as a

Medicare and Medicaid provider, conduct of operations, ownership of facilities, addition of facilities and equipment, allowable costs, services, prices for services, quality of care, patient rights, patient abuse and neglect, fraudulent reimbursement practices, and financial and other arrangements which may be entered into by healthcare providers.

U.S. federal and state governments have active enforcement policies, resulting in a significant increase in the number of inspections, citations of regulatory deficiencies and other regulatory sanctions, including terminations from the Medicare and Medicaid programs, bans on Medicare and Medicaid payments for new admissions, civil monetary penalties and even criminal penalties.

The Funds or the third-party operators of the real estate holdings in which the Funds invest could be forced to expend considerable resources responding to an investigation or other enforcement action under applicable laws or regulations.

The Funds or the operators will not be able to predict the future course of federal, state and local regulation or legislation, including the Medicare and Medicaid statutes and regulations. Changes in the regulatory framework could have a material adverse effect on a Fund. There are various federal and state laws (the Federal Anti-Kickback Statute, the Stark Law and similar state laws) prohibiting fraud and abusive business practices by healthcare providers who participate in, receive payments from or are in a position to make referrals in connection with government-sponsored healthcare programs, including the Medicare and Medicaid programs.

These laws include criminal and/or civil penalties for violations that range from punitive sanctions, damage assessments, penalties, imprisonment, denial of Medicare and Medicaid payments and/or exclusion from the Medicare and Medicaid programs. Additionally, certain laws, such as the False Claims Act, allow for individuals to bring whistleblower actions on behalf of the government for violations of fraud and abuse laws.

Imposition of any of these penalties could have a material adverse effect on the profitability of the Funds. Any financial impact incurred by the operators of the Funds healthcare-related holdings could adversely impact the value of those holdings and therefore the returns realized on those holdings.

Risks Relating to Competition in the Healthcare Industry

The Funds that invest in the healthcare industry are subject to additional risks relating to that industry.

The home health, skilled nursing facilities, assisted living facilities, Alzheimer's care facilities and hospice services industry are highly competitive.

The Funds will compete with a variety of other companies in providing services, some of which may have greater financial, marketing and other resources and may be more established in their respective communities. The Funds or their subsidiaries will compete with other healthcare providers for employees, both clinical associates and management personnel.

Risks Inherent in the Public Education Industry

Certain of the Funds invest in the public education industry and are exposed to risks specific to that industry.

For example, the revenue streams of these Funds depend on per pupil funding amounts and payment formulas. If those funding levels or formulas are materially reduced or modified due to economic conditions or political opposition, new restrictions adopted or payments delayed, the applicable Fund may be adversely affected.

The schools with which subsidiaries of these Funds contract are financed with government funding. Budget appropriations for education at all levels of government are determined through the political process and declines in public school funding may adversely impact the applicable Funds.

Poor performance or misconduct by the operator of a Fund's property could adversely impact the Fund.

For example, the Fund or its subsidiaries may be subject to lawsuits filed against its schools. Such legal claims could threaten the continuation or expansion of the operator's privately managed public-school business model, which could negatively impact the applicable Fund.

Once authorized by law, privately managed charter schools are generally subject to extensive regulation, as are the school districts served by the operator of the Fund properties. A failure to comply with these regulations could negatively impact the applicable Fund.

LIBOR and other Benchmark Rates Risk

To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on the London Interbank Offered Rate ("LIBOR") or other benchmark or reference rates (each, a "Benchmark Rate"), the Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants are working to facilitate the transition of existing instruments and contracts away from LIBOR to new Benchmark Rates, and any such transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

Russia-Ukraine Conflict

The ongoing military conflict between Russia and Ukraine has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine conflict may have a significant adverse impact and result in significant losses to the Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives.

Public Health Crisis and Global Instability

A public health crisis (such as the COVID-19 pandemic), geopolitical developments (such as the war in Ukraine, other wars, global superpower competition, sanctions, cyberattacks, embargoes and nationalization of assets), and other financial market developments, such as inflation, a rising interest rate environment or instability in the banking sector), can have unpredictable and adverse impacts on global, national and local economies, which can in turn negatively impact a Fund and its investment performance. Disruptions to commercial activity (such as the imposition of quarantines, shipping, flight or export bans, or other restrictions) or, more generally, a failure to contain or effectively manage any such crisis, may adversely impact the businesses of a Fund's portfolio companies. In addition, such disruptions can negatively impact the ability of Safanad's personnel to effectively identify, monitor, operate and dispose of investments. Finally, such events may contribute to extreme volatility in financial markets. Such volatility could adversely affect Safanad's ability to raise capital for a Fund, find financing for a Fund's portfolio companies or identify potential purchasers of a Fund's investments, all of which could have a material and adverse impact on a Fund's performance. The impact of any such crisis (or any such future event) is difficult to predict and presents material uncertainty and risk with respect to a Fund's performance.

Secondaries and other GP-Led Transactions

There continues to be a significant market in the private fund sector for secondary sales, GP-led transactions, continuation funds, successor fund investments and other transactions for the disposition of investments. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase a portion of one or more investments that will continue to be managed by Safanad following the transaction. Such

transactions are undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where Safanad believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by Safanad and its affiliates). However, certain of such transactions are expected to require a limited partner to invest additional capital in the existing Fund and/or other investment vehicles, a greater exposure to one or more particular portfolio company, and/or a delay in the full liquidation of its investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (*i.e.*, a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of Safanad or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Safanad or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction, their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, Safanad, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the investment(s) subject to the transaction. Further, the relevant General Partner is expected to be incentivized to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances Safanad reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that Safanad will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, Safanad reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Organizational Documents.

U.S. Taxation of Carried Interest

U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years.

Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its General Partner, or Safanad who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant General Partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for Safanad to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

Service Providers

Safanad generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with certain service providers, and from time to time such service providers are expected to include: (i) a related person of Safanad (which may include a portfolio company of such Fund); (ii) an entity with which Safanad or its affiliates or current or former members of their personnel has a relationship or from which Safanad or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers; or (iii) certain limited partners or their affiliates. For example, Safanad may be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. This discretion subjects Safanad to conflicts of interest, because, although Safanad selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Safanad has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Safanad, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Safanad), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Safanad will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although Safanad generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Additionally, from time to time Safanad expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships these persons have the potential to have information advantages relative to other investors or co-investors. In certain circumstances where Safanad commits or has committed to seek "market" or "arms-length" rates or terms, Safanad will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Safanad reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is "arms-length." Consequently, Safanad undertakes no minimum

amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets, services, geographies or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, Safanad reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not Safanad has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Cybersecurity

The Firm and the Funds are potentially susceptible to operational, systems, and financial risks through actual and attempted cybersecurity intrusions. Although the Firm employs a suite of cyber-risk mitigation and control strategies, a successful breach may cause the Firm and/or the Funds to lose proprietary information, suffer data corruption, suffer financial losses, or lose operational capacity. This in turn could cause the Firm and/or a Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cybersecurity breaches may involve unauthorized access to digital information systems (e.g., through “hacking” or malicious software coding, or through “business email compromises”), and may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cybersecurity breaches of third-party service providers or portfolio companies in which a Fund invests can subject a Fund to many of the same risks. Although the Firm has established risk management systems designed to reduce the risks associated with cybersecurity threats, there is no guarantee that such efforts will succeed, especially since the Firm does not directly control the cybersecurity systems of portfolio companies or third-party service providers.

Business Continuity and Disaster Recovery

The Firm’s, the Funds’ and their portfolio companies’ business operations may be vulnerable to disruption in the case of catastrophic events such as fires, natural disaster (e.g., tornadoes, floods, hurricanes and earthquakes), epidemics and pandemics, terrorist attacks or other circumstances resulting in property damage, network interruption and/or prolonged power outages. Although the Firm has implemented various measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. If such business operations are disrupted or suspended for extended periods of time, the Funds may be adversely affected.

Side Letters

As noted in Item 4 (Advisory Business) above, in connection with or as a condition to an investor’s agreement to invest in a Fund, the Fund or its General Partner may from time-to-time enter into a “side letter” or similar agreement with an institutional or other investor pursuant to which the Fund or its General Partner grants the investor specific rights, benefits or privileges that are not generally made available to all investors. Such rights, benefits or privileges include waivers or

discounts on management fees and/or incentive fees, “most favored nation” clauses, preferential access to co-investment opportunities, the right to be excused from participating in certain investments made by a Fund, notice rights upon the occurrence of certain events, seats on a Fund’s limited partner advisory committee, specialized or additional reporting rights, rights related to tax treatment, rights related to regulatory matters, rights related to immunities or indemnification, rights related to the ability of the investor to transfer its interest in the Fund, additional representations and warranties from the Fund, its General Partner and/or the Firm, modifications to the subscription agreement and other benefits. While the ability of a Fund or its General Partner to enter into a side letter or similar agreement affording preferential rights to certain investors may be disclosed to other investors in the Fund, the terms of such “side letters” or similar agreements are generally not disclosed to other investors in the Fund, except to investors that have separately negotiated for the right to review such agreements.

Privacy and Data Protection Law Compliance Risk

The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the U.S., Europe and other jurisdictions (collectively, “Privacy Laws”) could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of Safanad, the General Partners, the Funds and/or their portfolio companies and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for Safanad, the General Partners, the Funds and/or their portfolio companies are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

Certain jurisdictions, including other U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose similarly significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include Safanad, the General Partners, the Funds and/or their portfolio companies.

Financial Institution Risk; Distress Events

An investment in a Fund is subject to the risk that one of the Fund’s banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund’s assets (each, a “Financial Institution”) fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a “Distress Event”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a

Distress Event, Safanad, the Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the U.S. frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation (“FDIC”), in the case of banks, or the Securities Investor Protection Corporation (“SIPC”), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Safanad to manage the Funds and their investments, and on the ability of Safanad, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include a Fund to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although Safanad expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

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

Recycling of Committed Capital

Safanad has the right to recall (or “recycle”) certain distributed amounts, including in respect of returned fees and expenses and returned capital, in accordance with the Organizational Documents of certain of the Funds. Accordingly, during the term of a Fund, an investor may be required to make capital contributions in excess of its commitment. Any such reinvestment would limit early distributions to investors, and to the extent such recalled or retained amounts are reinvested, an investor will remain subject to the investment and other risks associated with such investments. As a result, reinvestment could increase the risk of investing in a Fund. Additional investments resulting from recycling have the potential to increase investment returns to investors (and reduce the effective burden of management fees assessed on the basis of commitments during a Fund’s commitment period) to the extent such investments are profitable.

However, there can be no assurance that any such investment will have a positive return. Further, any such additional investments will have the effect of increasing the management fee borne by investors following the investment period, and as a result Safanad may face a conflict of interest with respect to such additional investments insofar as it is incented to deploy recycled capital in additional investments when it might not otherwise have done so.

The risks above generally apply to the Funds managed by the Firm. Each Fund is subject to additional risks than those set forth above. The private placement memorandum of the relevant Fund also includes additional risks associated with such investment vehicle. This Brochure generally includes information about the Firm and its advisory agreements with Clients. While much of that information applies to all Clients, some information included herein applies to specific Clients only.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Firm or the integrity of its management. The Firm does not have any such legal or disciplinary events to report with respect to the Firm or members of its management team.

Item 10: Other Financial Industry Activities and Affiliations

The Firm owns and controls, or is under common control with, various entities, including Relying Advisers and pooled investment vehicles and their corresponding General Partners as well as certain managers or General Partners of portfolio companies, all of which are considered affiliates of the Firm. For a complete list of affiliates that serve as the General Partner or managing member of a Fund, see Section 7.A. of Schedule D to the Firm's Form ADV Part 1A.

As described further in Item 4 (Advisory Business), the Firm is affiliated with the following Relying Advisers:

- Safanad Management Limited;
- Safanad Goldeneye Management Limited;
- Safanad Education Ventures Management Limited;
- SSOP Management, LLC;
- Safanad Senior Care II Management LLC;
- Safanad Senior Care V Management LLC;
- Safanad SSCIP VI Management LLC;
- SSHIP I Management, LLC;
- SSHIP II Management, LLC;
- SSHDIP I Management LLC; and

- Safanad Real Estate Special Situations Opportunity Management, LLC.

Certain Safanad and affiliate employees (and/or their family members and family investment vehicles) hold ownership interests in and invest in the Funds through special investment vehicles. Material investments in a Fund by the Firm or affiliated entities or personnel are delineated in the relevant Fund's offering documents.

Safanad Industry Capital Internet Infrastructure Management, LLC (CRD# 291959) is an advisory affiliate of the Firm and files with the SEC separately as an exempt reporting adviser.

Although our Clients typically do not have overlapping investment periods and investment targets, certain inherent conflicts of interest may arise from the fact that we provide investment management services to several Clients. Subject to the terms, guidelines and limitations set forth in applicable Organizational Documents, we generally allocate investment opportunities among our applicable Clients on a basis that we believe to be fair and equitable under the circumstances. Most investment opportunities that satisfy the investment parameters of a particular Client will be allocated to that particular Client. In certain cases, however, an opportunity may be appropriate for more than one Client and our allocation policies and procedures are intended to provide general guidelines, procedures and considerations for the equitable allocation of investment opportunities between or among such applicable clients. If an investment opportunity will be allocated (which may include an allocation of 100% of such opportunity to a single Client), we will, to the extent applicable, determine in good faith that the allocation is fair and reasonable taking into account the relevant facts, circumstances and considerations we deem relevant or appropriate in our discretion.

Additionally, in determining how much time of the Firm and its related persons should be dedicated to the investment and related activities of a particular Fund, the Firm will ensure it does so in a manner consistent with its fiduciary duties and with any contractual obligations set forth in such Fund's Organizational Documents. In addition, as described elsewhere in this Brochure, the Firm advises some Funds with various third-party operating partners.

Certain employees and advisers of the Firm serve on the boards of directors of several public and private companies. Conflicts may arise in allocating time or serving in the role as a board member and as a Firm employee managing the investment for the Firm's Clients. In such cases, the Firm has internal procedures designed to address these potential or actual conflicts in accordance with the Firm's fiduciary duties to its Clients.

Managing Potential Conflicts related to Financial Industry Activities and Affiliations

The Firm's Chief Legal Officer, Chief Compliance Officer and Chief Financial Officer are responsible for identifying, reviewing and resolving potential and actual conflicts of interest among the Firm's Clients.

The Chief Compliance Officer is responsible for designing procedures, where applicable, to address potential or actual conflicts.

All of the Firm's or its related affiliate's employees have the duty to report any potential or actual conflicts of interest to their immediate supervisor and Chief Compliance Officer or directly to the board of directors of Safanad's ultimate parent company.

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

The Firm is subject to a Code of Ethics (the "Code of Ethics") that sets out standards of business and personal conduct for each employee (which for these purposes may include other persons such as certain consultants, advisors, temporary employees and other persons designated from time-to-time) and addresses conflicts that may arise from personal trading by such persons and provides for disciplinary sanctions for violations of the Code of Ethics.

The policies and procedures set forth in the Code of Ethics recognize that, as an investment adviser, Safanad is in a position of trust and confidence with respect to Clients and has a duty to place the interests of Clients before the interests of the Firm and its employees unless otherwise disclosed. This duty includes an obligation to address and mitigate conflicts of interest.

The Code of Ethics also recognizes that, as an investment adviser registered under the Advisers Act, the Firm has a further obligation to comply with the provisions of the Advisers Act as well as the other U.S. federal securities laws. The Code of Ethics includes, among other things, requirements with respect to standards of conduct in dealings with various parties and regarding conflicts of interest with Clients.

In addition to the Code of Ethics, we have adopted a compliance manual and other policies and procedures (collectively, the "Compliance Manual") with which persons associated with our firm must abide.

The Code of Ethics and the Compliance Manual are designed to ensure that we meet our fiduciary obligation to Clients and instill a culture of compliance within the Firm.

The Code of Ethics:

- Discusses the appropriate treatment of material, non-public information and other confidential information;
- Establishes limitations on, and required reporting of, certain gifts and entertainment;
- Requires pre-clearance of political contributions due to the potential for conflicts of interest and the requirements of so-called pay-to-play laws;
- Requires pre-clearance of outside business activities such as service on boards of directors (other than in connection with our investments); and

- Governs the securities trading and investing activities of access persons for their personal accounts (as further described below).

Access persons who violate the Code of Ethics or the Compliance Manual can be subject to sanctions including the termination of employment.

Client Transactions in Securities where the Firm has a Material Conflict of Interest

The Firm or its related persons often have a material investment in Clients. We do not believe that such co-investments cause a conflict of interest between us and any Client but rather function to better align the interests of our underlying investors with our own interests since our own capital is being invested alongside theirs.

The Firm generally will reduce or waive the management fees and performance-based compensation payable by related persons with respect to their participation in Client investments. However, such related persons indirectly bear their pro-rata share of expenses with respect to such investments.

In select circumstances, the Firm or its affiliates engage in transactions with Clients or their respective affiliates to purchase or sell securities or other investments. These transactions give rise to actual or potential conflicts of interest between the Firm and/or its affiliates and/or related persons as lenders or purchasers, on the one hand, and a Client and/or its respective affiliates as the borrowers or sellers, on the other hand. These conflicts may arise in connection with enforcement of contractual terms and determinations regarding extensions, prepayments and, in certain circumstances, interest charges or purchase prices. The Firm and its affiliates obtain consent for any principal transaction from the applicable Client, pursuant to the terms of such Client's Organizational Documents, and will only trade as a principal when the Firm believes that the transaction is in the best interest of each of the applicable Clients.

Occasionally, the Firm and/or its relying advisory affiliates and/or its related entities will, where the investment opportunity permits, give certain investors, including unaffiliated third parties, an opportunity to co-invest alongside its Funds as set forth in each Fund's respective offering documents and Organizational Documents.

Investing in Securities Recommended to Clients

Affiliates of the Firm engage in a broad spectrum of activities, including direct (or principal) investment activities for their own account that, with respect to any particular Client, are independent from, and may from time-to-time conflict with, overlap with or compete with, the investment activities of other Clients. As a result, the Firm is subject to various potential conflicts of interest.

As adviser and/or General Partner to each Fund, the Firm participates in the investments in Funds and receives an allocation of a portion of its investment profits in the form of profit allocations to

its affiliated special limited partner(s) as incentive fees after allocating a preferred return to investors, in accordance with the Fund's Organizational Documents.

Employees and related persons of the Firm or its affiliates must, with limited exceptions, pre-clear any personal trading, through personal accounts in which there is a beneficial ownership interest, where the employees or related persons trading could disadvantage one or more Clients in any manner. The intent of our personal trading policy is to ensure that the best interests of our Clients are served over those of our own or individual employees and to promote compliance with federal securities laws.

Certain employees of the Firm or its affiliates receive annual compensation which, in part, is based on the performance of the Funds, and are also permitted to invest in the Funds (in some cases through affiliates of the Firm).

Safanad's Code of Ethics is available upon request to investors and potential investors.

Item 12: Brokerage Practices

A. Broker Dealer Selection Criteria/Best Execution

The Funds are principally invested in real estate or private equity investments that do not trade in publicly listed securities and, as such, do not require the services of a securities broker-dealer. To date, the Funds have neither purchased nor otherwise received any such publicly listed securities. When selecting private placement opportunities, the Firm believes it satisfies its best execution responsibilities through careful negotiations of the terms of the privately negotiated investments it makes on behalf of the Funds.

B. Soft Dollar Practices

The Firm does not trade public securities and therefore does not enter into soft dollar arrangements.

C. Trade Aggregation

The Firm does not trade public securities and therefore trade aggregation situations do not arise.

D. Directed Brokerage and Client Referrals

The Firm does not allow its Clients to direct brokerage arrangements.

Item 13: Review of Accounts

The Firm's senior investment professionals, in collaboration with our affiliated management teams, regularly review and monitor Client investments to optimize performance and monitor risk.

In reviewing a Client's portfolio, the Firm seeks the potential to add value to investments through active asset management. Therefore, following an acquisition, our investment team creates a detailed investment plan that provides the strategic framework for meeting a Client's investment objectives.

Underlying investors in our Funds receive quarterly reports that typically include a letter from the Firm, an economic overview of the relevant markets, a portfolio overview summarizing investment performance, written commentary on the status of and material developments pertaining to each Fund investment. Underlying investors also receive investor statements independently prepared by the Fund or the Fund's administrator, as set forth in the Funds' Organizational Documents, including statements of their capital account balances (or the value of their shares, as applicable).

The relevant Fund's private placement memorandum contains additional information about the reports provided.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties

Safanad does not receive any economic benefit, directly or indirectly from any third party for advice rendered to the Client.

B. Compensation to Non-Advisory Personnel for Client Referrals

Safanad utilizes a placement agent with respect to interests of a real estate-focused Fund (the "Special Situations Fund"). Pursuant to an engagement agreement among Safanad affiliates and the placement agent, the placement agent is providing certain solicitation services with respect to investors in the Special Situations Fund. For those services the placement agent has received an advisory fee, retainer payments, and additional fees of up to three percent of the aggregate principal amount of Special Situations Fund interests sold, subject to certain exclusions. Under Rule 206(4)-1 of the Advisers Act, such placement agent is considered to be providing a "compensated endorsement" of the Special Situations Fund. Prospective investors should be aware that a placement agent is subject to certain conflicts of interest, including an incentive to recommend such Fund over other investment opportunities due to the fact that the placement agent is being compensated in connection with any investors that it successfully refers to the Special Situations Fund.

Item 15: Custody

Pursuant to Rule 206(4)-2 of the Advisers Act (the “Custody Rule”) the Firm is deemed to have custody of Client cash funds and securities because the Firm or its related entities serve as both adviser and General Partner or managing member to such Funds, and where permitted under the relevant Client’s Organizational Documents, directly access the Fund’s custodial accounts. In all cases, the Firm will comply with the requirements of the Custody Rule.

As required by the Custody Rule, the Firm maintains the cash and any certificated securities in the Funds with a qualified custodian.

Certain Funds are subject to an annual audit performed by an independent Public Company Accounting Oversight Board (“PCAOB”) registered and subject to inspection public accounting firm and the audited financial statements are distributed to each of the Funds’ investors. The audited financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles. The Firm shall seek to ensure that the audited financials are delivered to investors within 120 days of the fiscal year end. Investors should carefully review such financial statements.

With respect to certain other Funds, we satisfy our obligations under the Custody Rule by causing such Funds to undergo an annual surprise independent verification, by an independent public accountant that is registered with and subject to regular inspection by the PCAOB, of the cash and securities held by such Funds and to cause such Fund’s custodian to issue quarterly reports detailing the cash and securities held by such Fund along with a report detailing any cash or investment activity engaged in by such Fund during the quarterly period. The independent public accountant is required to file a Form ADV-E with the SEC within 120 days of the surprise exam documenting the results of such examination.

Item 16: Investment Discretion

The Firm has (and in certain cases where investment advice is shared with third-party operators, the Firm and the third-party operators, together, have) full discretionary authority to select investments to be bought and sold for all of the Clients. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives or investment guidelines for the particular Fund as outlined in the Fund’s Organizational Documents.

Item 17: Voting Client Securities

While the Firm has (or is deemed to have) the authority to vote securities on behalf of certain Clients, and accordingly maintains a proxy voting policy as required by Advisers Act Rule 206(4)-

6, we are rarely if ever involved in proxy voting because Client assets are generally invested in privately owned real estate and operating companies, which do not typically issue proxies. Whenever the Firm is required to exercise a vote for a privately held portfolio company, it will apply the same standards and procedures as set forth in its proxy voting policy.

The Firm will seek to avoid material conflicts of interest between its own interests on the one hand, and the interests of its Clients on the other.

Item 18: Financial Information

The Firm is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy petition at any time during the past ten years