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**PART 2A OF FORM ADV: FIRM BROCHURE**

**JADIAN CAPITAL, LP**

**AUGUST 11, 2023**

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## Item 2 – Material Changes

This Item 2 of the Brochure discusses only specific material changes that have been made to the Brochure since our last annual update and provides clients with a summary of those changes. The last annual update of our Brochure was on March 31, 2023.

This amended Brochure includes the following changes made since the last annual update:

- Item 4 - Identifies the individual feeder funds in Jadian Real Estate Fund I-B, LP. Jadian UP Investors LLC and the SPVs (as defined below) are also noted as additional special purpose vehicles managed by Jadian Capital LP. (added May 19, 2023)
- Item 11 - Additional clarification and disclosures relating to Jadian's use of affiliated Service Providers and Suppliers. (added August 11, 2023)

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#### Item 4 – Advisory Business

Jadian Capital, LP, a Delaware Limited Partnership (“**Jadian**” or the “**Firm**”), was formed in 2017 by Jarret Cohen, the Firm’s principal owner. Jadian is a real estate-focused investment firm, targeting opportunities throughout the capital structures of real estate-related assets and companies. The Firm pursues a value-oriented, opportunistic approach across commercial, residential and alternative sectors. Jadian provides discretionary and non-discretionary investment advice to private investment funds that seek to generate attractive risk-adjusted returns by investing in real estate-related assets, loans and companies.

In particular, the Firm serves as the investment manager to a fund complex comprised of discretionary and non-discretionary pooled vehicles. The discretionary vehicles include (i) Jadian Real Estate Fund I, LP, a Delaware limited partnership (“**Fund I**”), and two master funds Jadian Real Estate Fund I-A, LP and Jadian Real Estate Fund I-B, LP, both Delaware limited partnerships (the “**Master Funds**”), and (ii) Jadian IT OpCo (Feeder) I-B LP, Jadian IT PropCo (Feeder) I-B LP, Jadian Fremont (Feeder) I-B LP, Jadian HS (Feeder) I-B LP, Jadian Discovery (Feeder) I-B LP, Jadian 990 (Feeder) I-B LP, Jadian Rollup (Feeder) I-B LP, Jadian Parakeet (Feeder) I-B LP, Jadian Mandich (Feeder) I-B LP, Jadian Providence (Feeder) I-B LP, Jadian 690 Canton (Feeder) I-B LP, Jadian 2051 Palomar (Feeder) I-B LP, Jadian 100 Staples (Feeder) I-B LP, Jadian IOS (Feeder) I-B LP, Jadian Airport Hangar (Feeder) I-B LP, and Jadian Auburndale (Feeder) I-B LP, all Delaware limited partnerships, and Jadian Real Estate Fund I-A (Feeder) LP, organized as a Cayman exempt company (collectively, the “**Discretionary Feeders**”). Fund I and the Master Funds are collectively referred to as the “**Discretionary Vehicle**.” The non-discretionary vehicles include (i) the Delaware limited partnerships Jadian Real Estate Fund I POV, LP, Jadian Real Estate Fund I-A POV, LP (“**Master Fund I-A POV**”) and Jadian Real Estate Fund I-B POV, LP (collectively, the “**Priority Overflow Vehicle**” or “**POV**”), and (ii) Jadian Real Estate Fund I-A POV Feeder LP, a Cayman exempt company (the “**POV Feeder**”). POV together with the Discretionary Vehicle are referred to as the “**Fund**”). The Discretionary Feeders and the POV Feeder invest substantially all of their assets in limited partnership interests of their respective master funds.

The Fund intends to invest in direct equity in real property and joint ventures, first mortgage and mezzanine debt, portfolios of loans secured by real estate and related assets, debt and equity in real estate-related companies, as well as other investments (which may include structured products) (each, a “**Portfolio Investment**” and collectively, the “**Portfolio Investments**”).

Jadian also serves as the investment manager for Jadian LS Co-Investor I LP, Jadian LS Co-Investor I-A, LP, Jadian IT Co-Invest I, LP, and Jadian IT Co-Invest I-A, LP (collectively, the “**Co-investment Vehicles**”), that were formed as special purpose investment vehicles and are closed to new investors.

In addition, Jadian indirectly serves as the managing member of Jadian UP Investors LLC and Jadian UP Holdings LLC, each a Delaware limited liability company (collectively, the “**UP LLCs**”), that were formed as special purpose investment vehicles and are now closed to new investors.

Jadian also indirectly controls JIOS Investment Manager, LP, a relying adviser of the Firm, which serves as investment manager to certain Funds (the “**JIOS Funds**”) that intend to invest in low coverage industrial properties across the United States that are intended to derive most of their value from outdoor storage or parking (“**IOS Assets**”). Jadian’s goal in respect of JIOS Investment Manager, LP and the JIOS Funds is to aggregate a diversified portfolio of high quality IOS Assets comprised of different types of uses and business plans.

Jadian also indirectly controls Jadian IT OpCo LLC and Jadian IT PropCo LLC, each a Delaware limited liability company (collectively, the “**SPVs**”), which were formed as special purpose investment vehicles and are now closed to new investors. The SPVs were established as vehicles for certain third party investors to invest in portfolio businesses owned by the Fund. Jadian intends to promptly commence a dissolution of the SPVs and cause their current owners to directly hold interests in the applicable direct operating subsidiary.

Jadian has also been engaged to serve as asset manager to Fir Tree Real Estate Fund III LP (“**FTP Fund III**”), an unaffiliated 3<sup>rd</sup> party. FTP Fund III has investment objectives similar to those of the Firm’s investment strategies and ceased making new investments in 2016 following the expiration of its investment period.

Interests in the Fund are offered on a private placement basis in reliance on Section 3(c)(1) and/or Section 3(c)(7) of the Investment Company Act of 1940, as amended (the “**Company Act**”), to persons who generally are “accredited investors” as defined under the Securities Act of 1933, as amended (the “**Securities Act**”), and who are subject to certain other conditions (each, a “**Limited Partner**”), which are fully set forth in the offering documents of the Fund.

All information contained in this Brochure is based on the advisory services that the Firm offers. For a detailed discussion of our strategies, please see “*Item 8 Methods of Analysis, Investment Strategies and Risk of Loss*” below. This Brochure is not an offer to invest in the Fund. Any such offer would only be made through the provision of the Fund’s Confidential Private Placement Memorandum (the “**Memorandum**”). Information included in this Brochure is intended to provide a useful summary about Jadian, but is qualified in its entirety by information included in the Memorandum.

Jadian does not participate in any wrap fee programs.

As of December 31, 2022, Jadian managed \$821,237,420 in regulatory assets under management on a discretionary basis and \$225,449,743 on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

### **Commitment Fees**

A commitment fee is payable quarterly in advance by the Discretionary Vehicle to Jadian, from the date of the initial closing until the end of the Discretionary Vehicle’s investment period, in respect of each Limited Partner based on such Limited Partner’s unfunded commitment. The commitment fee for the Discretionary Vehicle is two percent (2%) per annum of each Limited Partner’s available commitment. A commitment fee is not paid with respect to each Limited Partner’s available commitments to the POV.

Commitment fees are not applicable for the SPVs, the UP LLCs, the Co-Investment Vehicles, the JIOS Funds, and FTP Fund III.

### **Management Fees**

A management fee is payable quarterly in advance by the Fund to Jadian, from the date of the initial closing in respect of each Limited Partner based on such Limited Partner’s capital contributed in respect of Portfolio Investments that have not been the subject of a disposition or completely written off. However, the Management Fee will be adjusted to reflect any partial disposition of a Portfolio

Investment. The Management Fee payable by the Discretionary Vehicle is two percent (2%) per annum of each Limited Partner's capital that is contributed in respect of Portfolio Investments that have not been the subject of a disposition or completely written off. The Management Fee payable by the POV is one percent (1%) per annum of each Limited Partner's capital that is contributed in respect of Portfolio Investments that have not been the subject of a disposition or completely written off.

The Fund's general partner, a related person of Jadian (the "**General Partner**"), will receive a performance fee as discussed in "*Item 6-Performance-Based Fees and Side-by-Side Management*" below.

With respect to the Co-Investment Vehicles, Jadian UP Holdings LLC, and the JIOS Funds, a Management Fee is payable quarterly in advance by the Co-Investment Vehicles, Jadian UP Holdings LLC, and the JIOS Funds, as the case may be, to an affiliate of Jadian based on contributed capital in respect of capital contributions for investments. The Management Fee payable by the LS Co-Investor vehicles is 0.50% per annum, the Management Fee payable for all other Co-Investment Vehicles and Jadian UP Holdings LLC is currently 1.0% per annum, and the Management Fee payable by the JIOS Funds is 1.5% per annum.

With respect to FTP Fund III, Jadian receives an asset management fee in connection with the asset management services rendered. Such fee is calculated based on assets under management and expenses incurred in connection with asset management services rendered to FTP Fund III pursuant to the terms of, and in accordance with, that certain asset management agreement between Jadian Capital, LLC and Fir Tree Inc.

Management fees are not applicable for the SPVs and Jadian UP Investors LLC.

### **Other Fees**

With respect to the Fund, the SPVs, the UP LLCs and the Co-Investment Vehicles, Jadian and its affiliates do not expect to receive transaction, consulting, advisory, directors' and other similar fees associated with Portfolio Investments or proposed Portfolio Investments or commitments made by the Fund, the SPVs, the UP LLCs and the Co-Investment Vehicles, or fees in connection with transactions that are not completed (i.e., break-up fees). To the extent that any such fees are received with respect to the Fund, such fees will first be used to pay unreimbursed related expenses, and, thereafter, 100% of each Limited Partner's pro rata share of any such remaining fees received by Jadian or any of its affiliates will be applied to reduce, on a dollar for dollar basis, future payments of the commitment fee and/or the management fee in respect of such Limited Partner (but not below zero). In addition, third party out-of-pocket expenses incurred by Jadian or its affiliates in connection with proposed or actual Portfolio Investments in, or the provision of services to, Portfolio Investments may be reimbursed by such Portfolio Investments rather than being borne by Jadian or the Fund, as applicable.

Jadian and its affiliates will not receive any transaction, consulting, advisory, directors' or other similar fees associated with the FTP Fund III investment portfolio. Any such fees would be received by an affiliate of Fir Tree Inc.

Jadian reserves the right to apply different fee and expense arrangements to investors on an individual basis.

### **Expenses**

As set forth in the Fund's Memorandum, to the extent not paid by a Portfolio Investment, the Fund will pay all expenses, costs and liabilities incurred in connection with the operation of the Fund, including, without limitation, (a) legal, auditing, consulting and accounting fees and expenses, (b) the organization and maintenance of any investment vehicle, (c) the commitment fee and the management fee, (d) all expenses, costs and liabilities incurred in connection with Portfolio Investments and temporary investments or potential Portfolio Investments and potential temporary investments, (e) all expenses and costs incurred as a result of a proposed transaction or investment by the Fund that is not consummated, to the extent not reimbursed by a third party, (f) all expenses, costs and liabilities incurred in connection with litigation (including damages) or other extraordinary events and the amount of any judgments or settlements paid in connection therewith, insurance expenses and indemnity expenses and advances, (g) all taxes, interest, fees and other governmental or regulatory charges payable by the Fund except to the extent such amounts are (i) allocable to, or indemnifiable by a Limited Partner and (ii) actually borne or paid by such Partner, expenses incidental to the transfer, servicing and accounting for the Fund's cash and securities, including all charges of depositories and custodians, all expenses incurred by the General Partner or its designee in their capacity as the Fund's "tax matters partner," "partnership representative" or any similar role under applicable non-U.S., state or local tax law, and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund (h) communications expenses and costs, (i) all expenses and costs associated with meetings of the Limited Partners, (j) all expenses and costs of the members of the LP Advisory Committee in connection with their services, including, without limitation, travel expenses in connection with attendance at LP Advisory Committee meetings, (k) expenses incurred in connection with the carrying, monitoring or management of Portfolio Investments and temporary investments, including brokerage commissions, custodial expenses, appraisal fees and other investment costs, (l) all expenses and costs of winding up or liquidating the Fund and its subsidiaries, (m) all expenses and costs incurred in connection with the maintenance of the Fund's books of account and the preparation of audited or unaudited financial statements required to implement the provisions of this Agreement or required by any governmental authority with jurisdiction over the Fund, (n) out-of-pocket expenses incurred by strategic co-investment partners and any consulting or similar fees paid to a strategic co-investment partner for services provided to the partnership, (o) all expenses and costs (including interest) incurred in connection with any indebtedness or bridge investments, guarantees or other credit arrangement (including any line of credit, loan commitment or letter of credit for the Fund or related to any Portfolio Investment (or any underlying asset)), (p) all expenses relating to a defaulting Limited Partner to the extent not borne by such defaulting Limited partner, (q) expenses incurred in connection with any restructuring or amendments to the constituent documents of the Fund and related entities, including the Fund's General Partner and Jadian, to the extent necessary to implement a restructuring or amendment of the Fund documents, (r) expenses incurred in connection with distributions to Partners, (s) expenses incurred in connection with the employment of any selling agent, broker, placement agent, or finder (other than any placement agent fees payable in connection with the sale of interests), (t) expenses for business development, travel and entertainment related to the development and management of portfolio Investments and potential Portfolio Investments, to the extent not reimbursed by a third party, (u) all expenses and costs incurred in connection with any regulatory filings required to be made in respect of, or compliance costs directly related to, the Fund or any alternative investment vehicle (including Form PF) and (v) expenses incurred in connection with the "most favored nations" election process with Limited Partners.

As set forth in each Co-Investment Vehicle's definitive documentation, to the extent not paid by each vehicle's existing portfolio investment, each Co-Investment Vehicle will pay all operating expenses incurred in connection with its operation.

Fund expenses related to FTP Fund III are managed by Fir Tree Inc. in accordance with FTP Fund III's definitive fund documentation as well as Fir Tree Inc.'s internal policies, if/as applicable.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

A portion of the profits of the Fund, if any, is distributed to the General Partner as “carried interest” (the “**Carried Interest Distribution**”). The existence of the General Partner's Carried Interest Distributions can create an incentive for the General Partner to make more speculative Portfolio Investments on behalf of the Fund than it would otherwise make in the absence of such performance-based arrangement. However, the General Partner's Commitment to the Fund and the General Partner's clawback (as described in the Fund's Memorandum) should tend to reduce this incentive.

With respect to the Co-Investment Vehicles, Jadian UP Holdings LLC, and the JIOS Funds, a portion of the profits of each Co-Investment Vehicle, of Jadian UP Holdings LLC, and of the JIOS Funds, if any, is distributed to an affiliate of the respective applicable entity's General Partner or Managing Member, as the case may be, as carried interest. Terms of the distribution are described in the applicable organizational documents.

Jadian does not receive any additional compensation for the advisory services it provides FTP Fund III. Additional compensation fees are not applicable for the SPVs and Jadian UP Investors LLC.

#### **Item 7 – Types of Clients**

Jadian primarily provides investment advice to private funds, as described above. Private funds advised by Jadian can include partnerships or other pooled investment vehicles formed under domestic or non-U.S. laws and operated as exempt investment pools under the Company Act. Investors participating in private funds advised by Jadian can include individuals, certain banks or thrift institutions, sovereign wealth funds, pension and profit-sharing plans, trusts, estates, charitable organizations or other corporate or business entities (which can include entities that are owned, directly or indirectly, by Principals or other employees of Jadian).

Investors in the Discretionary Vehicle are generally required to make a minimum initial investment of \$5 million as described in the Fund's Memorandum. Such minimum investments, however, may be waived or modified by the General Partner of the Fund, in its sole discretion. In order to invest in the Fund, an investor must be an accredited investor and, if subject to a performance fee, must be a “qualified client” as defined by Section 205 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), and Rule 205-3 thereunder. To the extent the Fund relies on Section 3(c)(7) of the Company Act, an investor would also be required to be a “qualified purchaser” as defined in Section 2(a)(51) of the Company Act.

#### **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

##### **Methods of Analysis**

Jadian pursues a broad value mandate to uncover attractive opportunities related to real estate. Jadian believes this approach confers multiple competitive advantages—namely, the ability to focus on ignored investment themes, to compare relative value across capital structures and sectors, to reduce investment pressure, to facilitate focus on only the most attractively priced opportunities, and to construct a portfolio with diverse drivers of performance.



Key investment principles include: (1) crafting a low basis in underlying real assets; (2) protecting downside risk before focusing on upside potential; (3) prudent use of leverage; (4) focusing on cash flow generation; and (5) targeting strong businesses exhibiting the ability to generate long-term fundamental outperformance.

The Fund's investments are expected to fall into one of the following two categories: (1) platform creation; or (2) value-add and structured transactions. Platforms include aggregation strategies, programmatic joint ventures, or investments in portfolios or companies that serve as the foundation for future investments. Jadian plans to incubate approximately three to five platforms in the Fund, and for any strategies that require additional capital, Jadian may offer certain Limited Partners co-investment opportunities. Individual value-add and structured transactions are investments that Jadian believes are attractive on a one-off basis. Although Jadian believes that such investments often have the potential to become larger over time, they may ultimately remain one-off investments.

Key elements of Jadian's approach include: (1) identifying misunderstood, complex, overlooked or unique investment themes; (2) crafting a low basis in underlying assets; and (3) actively managing assets with a focus on realizations.

The Fund intends to invest in direct equity in real property and joint ventures, first mortgage and mezzanine debt, portfolios of loans secured by real estate and related assets, debt and equity in real estate-related companies, as well other investments (which may include structured products). By creating a diversified portfolio across several capital structure positions, the Fund will seek to generate risk-adjusted returns without relying on significant improvement in broad real estate indices.

The Fund's investments are expected to include the following general security types: (i) real estate direct equity; (ii) corporate direct equity; (iii) distressed debt; (iv) first mortgage loans and bridge financing; (v) mezzanine debt and preferred equity; (vi) structured products; and (vii) special situations.

### **Certain Material Risks**

Investing in securities generally, and investing in the Fund, involves substantial risk of loss that investors should be prepared to bear. There can be no assurance that the Fund will be able to make and/or realize any particular investment or that the Fund will be able to generate returns for their investors. The marketability and value of any such investments will depend upon many factors beyond the control of the Fund. In addition, there can be no assurance that any investor will receive any distribution from the Fund.

Investors in the Fund should carefully consider, among other factors, the following material risks involved with Jadian's investment strategies. Investors in the Fund should refer to the Memorandum of the Fund for additional information on these risks and other risks. The following discussion of certain risk factors does not purport to be an exhaustive list or a complete explanation of all of the risks involved in private equity investments.

### **Absence of Operating History.**

The Fund's portfolio investments are predominantly unrealized and thus the Fund's realized performance is limited. Further, the past investment performance of Jarret Cohen (the "**Key Person**") is not necessarily

indicative of the future results of the Fund and there can be no assurances that the Fund's investment objectives will be achieved. Any past experience of the Key Person, members, officers and other investment professionals of Jadian cannot be relied upon as an indicator of the ability of the Fund to execute on its investment strategy and achieve its investment objectives. Limited Partners should have the ability to sustain the loss of their entire investment in the Fund.

#### Reliance on Key Personnel.

The success of the Fund depends in substantial part upon the skill and expertise of the Key Person and other investment professionals of Jadian and others providing investment advice with respect to the Fund. There can be no assurance that these key investment professionals will continue to be associated with the General Partner or Jadian throughout the life of the Fund. The loss of key personnel could have a material adverse effect on the Fund's ability to realize its investment objectives. Furthermore, Jadian believes that its investment professionals have considerable expertise in the relevant sectors, but there is no means of predicting whether they will successfully implement the Fund's investment strategy, especially during changing economic conditions. Competition in the real estate and asset management industry for qualified investment professionals and other personnel is intense, and there is no guarantee that the talents of the General Partner's, Jadian's or a portfolio company's investment professionals could be replaced. The success of the Fund depends on Jadian's ability to identify and willingness to provide acceptable compensation arrangements to attract, retain and motivate talented investment professionals and other personnel. Such compensation arrangements may provide that an investment professional or other person may, in certain circumstances after the individual is no longer employed or retained by the General Partner, Jadian or a portfolio company, be granted a continuing interest in respect of particular Portfolio Investments. Such arrangements could create additional expenses for the Fund or reduce the Fund's returns.

#### Portfolio Company Management.

With respect to management at a portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. Although Jadian expects to monitor any portfolio company management, management of any applicable portfolio company will have day-to-day responsibility with respect to the business of such portfolio company. There can be no assurance that the existing management team of a portfolio company, or any new team, will be able to successfully operate the company or will meet the Fund's expectations. Some portfolio companies may depend for their success on the management talents and efforts of one person or a small group of persons whose death, disability or resignation would significantly adversely affect the portfolio company's performance.

#### Board Participation.

As disclosed in the Fund's Memorandum, the Fund can be represented on the boards of directors of certain of its applicable portfolio companies or can have its representatives serve as observers to such boards of directors. Although such positions in certain circumstances could be important to the Fund's investment strategy and can enhance Jadian's ability to manage the Portfolio Investments, they can also have the effect of impairing the Jadian's ability to sell the related securities when, and upon the terms, it may otherwise desire, and can subject Jadian and the Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Fund will indemnify Jadian, its investment professionals and each of their respective affiliates and any such entity's (including any such affiliate's) officers, directors, employees, agents, consultants, stockholders, partners, members or managers.

#### Russia/Ukraine Conflict.

Occurrence of war or hostilities involving a country in which we have investments or where our portfolio companies operate could adversely affect the operations and valuations of our portfolio companies and investments in such country or where such portfolio companies have other interconnectivity, in addition to indirect exposure to supply chain disruptions and commodity price volatility exacerbated by such conflict. For example, the Russia-Ukraine conflict, including the sanctions imposed in response to Russia's invasion of Ukraine, have exacerbated and may further exacerbate these issues and trends, including with respect to oil and gas prices. Policies, such as restrictions on exports of food, have also increased globally as a result of Russia's invasion of Ukraine. The significant expansion of the sanctions lists in the EU, the UK, the U.S., Canada (and other jurisdictions) and targeting of major financial institutions, in addition to other measures to limit Russia's access to global financial markets and systems, may impact our operations and valuations of our portfolio companies. It is not possible to predict the broader or longer-term consequences of this conflict, which could include further sanctions, embargoes, regional instability, geopolitical shifts and adverse effects on macroeconomic conditions, security conditions, currency exchange rates, exchange controls and financial markets.

#### US/China Relations.

In recent years, the U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries, and has made proposals and taken actions related thereto. For example, the U.S. government has imposed tariffs on certain foreign goods, including from China. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods. There is uncertainty as to the actions that may be taken under the current administration with respect to U.S. trade policy, including with China. Further governmental actions related to the imposition of tariffs or other trade barriers or changes to international trade agreements or policies, could further increase costs, decrease margins, reduce the competitiveness of products and services offered by current and future portfolio companies and adversely affect the revenues and profitability of companies whose businesses rely on goods imported from outside of the U.S.

We may also fail to consummate identified investment opportunities because of regulatory or legal complexities or uncertainty and adverse developments in the U.S. or global economy, financial markets or geopolitical conditions, and our ability to deploy capital in certain countries may be adversely impacted by U.S. and foreign government policy changes and regulations. For example, the ability to deploy capital in China has been adversely impacted by policies and regulations in China and the U.S. This may be exacerbated prospectively. For example, the U.S. House of Representatives passed a bill that, if enacted in its current or a similar form, would subject certain outbound investments from the U.S. into China to heightened review by the U.S. government. As a related matter, certain senior administration officials have indicated that the current administration is formulating an approach to address outbound investments in sensitive technologies. There is public speculation that this formulation will involve an outbound investment screening mechanism, particularly relating to China and China-adjacent investments, which could further negatively impact our ability to deploy capital in such countries.

#### U.S. Debt Limit.

In January 2023, the outstanding debt of the U.S. reached its statutory limit and the U.S. Treasury Department commenced taking extraordinary measures to prevent the U.S. from defaulting on its obligations. If Congress does not raise the debt ceiling, the U.S. could default on its obligations, including

Treasury securities that play an integral role in financial markets. A default by the U.S. could result in unprecedented market volatility and illiquidity, heightened operational risks relating to the clearance and settlement of transactions, margin and other disputes with clients and counterparties, an adverse impact to investors, downgrades in the U.S. credit rating, further increases in interest rates and borrowing costs and a recession in the U.S. or other economies. Even if the U.S. does not default, continued uncertainty relating to the debt ceiling could result in downgrades of the U.S. credit rating, which could adversely affect market conditions.

#### Inflation.

In 2022, in light of increasing inflation, the U.S. Federal Reserve increased interest rates multiple times and has indicated that it expects continued increases in interest rates in 2023. Rising interest rates create downward pressure on the value of certain investments made by our funds. Further, our funds have faced, and could continue to face, difficulty in realizing value from investments due to sustained declines in equity market values as a result of concerns regarding interest rates.

An increase in interest rates has and could continue to increase the cost of debt financing for the transactions our funds pursue. Further, a significant contraction or weakening in the market for debt financing or other adverse changes relating to the terms of debt financing (such as, for example, higher equity requirements and/or more restrictive covenants), could have a material adverse impact on our business.

Rising interest rates, coupled with periods of significant equity and credit market volatility may potentially make it more difficult for us to find attractive opportunities for our funds to exit and realize value from their existing investments.

Our funds' portfolio investments also regularly utilize the real estate and corporate debt markets to obtain financing for their operations. To the extent monetary policy, tax or other regulatory changes or difficult credit markets render such financing difficult to obtain, more expensive or otherwise less attractive, this may also negatively impact the financial results of those portfolio companies and, therefore, the investment returns on our funds. In addition, to the extent that market conditions and/or tax or other regulatory changes make it difficult or impossible to refinance debt that is maturing in the near term, some of our funds' portfolio investments may be unable to repay such debt at maturity and may be forced to sell assets, undergo a recapitalization or seek bankruptcy protection.

#### Regulation of Private Funds.

The financial services industry in recent years has been the subject of heightened scrutiny, which is expected to continue to increase, and the SEC has specifically focused on private equity and the private funds industry. In that connection, in recent years the SEC's stated examination priorities and published observations from examinations have included, among other things, private equity firms' collection of fees and allocation of expenses, their marketing and valuation practices, allocation of investment opportunities, terms agreed in side letters and similar arrangements with investors, consistency of firms' practices with disclosures, handling of material non-public information and insider trading, disclosures of investment risk, purported waivers or limitations of fiduciary duties, conflicts around liquidity, risk management and the existence of, and adherence to, compliance policies and procedures with respect to conflicts of interest. The SEC has recently proposed a number of new rules and amendments to existing rules that, if enacted, would have significant impact on our business and operations. In February 2022, the SEC proposed new rules and amendments to existing rules under the Advisers Act specifically related to registered advisers

and their activities with respect to private funds. If enacted, the proposed rules and amendments could have a significant impact on advisers to private funds and our business.

#### Banking Counterparty Risk.

Jadian relies upon third-party banks or other custodians to hold and safeguard client assets and provide credit facilities that may be used to pay Fund expenses and purchase new investments. While Jadian carefully selects and monitors its custodians, there is no guarantee that such custodians will not experience financial difficulties or otherwise fail, which could prevent Jadian from accessing client funds, securities, or credit facilities. Jadian could be required to call investor capital to pay expenses or purchase investments that otherwise would have been financed through a credit facility, or Jadian could be prevented from making timely distributions of investor capital in the event a banking counterparty is shut down by regulators. These events could negatively impact Fund performance or result in substantial delays in the return of capital to investors.

Events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions or the financial services industry generally, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank ("SVB") was closed by the California Department of Financial Protection and Innovation, which appointed the FDIC as receiver. Despite subsequent actions taken by the U.S. Department of the Treasury, the U.S. Federal Reserve and the FDIC to ensure that all depositors of SVB had access to all of their cash deposits following the closure of SVB, uncertainty and liquidity concerns in the broader financial services industry remain.

Jadian, the Funds and Fund portfolio companies regularly maintain cash balances at banks or other custodians in excess of the FDIC insurance limit. Each of these parties' access to cash in amounts adequate to pay expenses, purchase new investments and otherwise operate its business could be significantly impaired by the financial institutions with which it maintains cash balances to the extent such financial institutions face liquidity constraints or failures. In addition, investor concerns regarding the U.S. or international financial systems may increase the risk of default of particular investments, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, all of which could have a material adverse effect on the performance of the Funds' investments, returns and the ability of the Funds to make and/or dispose of investments. No assurance can be given as to the effect of these events on the value of, or markets for, investments, or the Funds' or a portfolio company's ability to recover therefrom. In addition, while it is not possible at this time to predict the extent of the impact that the failure of SVB or any other financial institution or the high market volatility and instability of the banking sector could have on economic activity and Jadian in particular, the failure of other banks and financial institutions and the measures taken by governments, businesses and other organizations in response to these events could adversely impact Jadian, the Funds and their investments.

#### Cybersecurity Risk.

Jadian, the Fund's service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Fund and its investors, despite the efforts of Jadian and service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Fund and its investors. Cyber incidents refer to both intentional attacks and unintentional events including:

processing errors, human errors, technical errors including computer glitches and system malfunctions, inadequate or failed internal or external processes, market-wide technical-related disruptions, unauthorized access to digital systems (through “hacking” or malicious software coding), computer viruses, and cyber-attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality (including denial of service attacks). For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of Jadian, the Fund’s service providers, counterparties or data within these systems. Third parties can also attempt to fraudulently induce employees, customers, third-party service providers or other users of Jadian’s systems to disclose sensitive information in order to gain access to Jadian’s data or that of the Fund’s investors. A successful penetration or circumvention of the security of Jadian’s systems could result in the loss or theft of an investor’s data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Fund, Jadian or their service providers to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures or financial loss. In addition, substantial costs can be incurred in order to prevent any cyber incidents in the future. While the Fund’s service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Fund cannot control the cybersecurity plans and systems put in place by its service providers or any other third parties whose operations can affect the Fund.

### **Key Risks of Jadian’s Investment Strategies**

Investing in the Fund is intended for sophisticated investors who can accept a high degree of risk in their portfolio, do not need regular income from the investment, and can accept a potential loss of their entire investment.

#### **Unspecified Investments.**

Until the end of the Fund’s investment period, new Portfolio Investments may be selected by the General Partner or Jadian. Limited Partners will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding such potential new Portfolio Investments. No assurance can be given that the Fund will be successful in obtaining suitable Portfolio Investments or that, if the Portfolio Investments are made, the objectives of the Fund will be achieved.

#### **Highly Competitive Market for Investment Opportunities.**

The success of the Fund as a whole depends upon the identification and availability of suitable investment opportunities that fall within the Fund’s investment objectives and the ability of the General Partner and Jadian to identify, negotiate, close, manage and exit such investments. The activity of identifying, completing and realizing attractive Portfolio Investments is highly competitive and involves a high degree of uncertainty, especially with respect to timing. The availability of investment opportunities will be subject to market conditions as well as, in some cases, the prevailing regulatory conditions or the political climate in industries and regions in which the Fund may invest and other factors outside the control of the Fund. The Fund expects that it will be competing for investments with other pooled investment vehicles, private funds, individuals and industry participants that have similar investment objectives, as well as financial institutions and other strategic or financial investors, some of which will have greater resources than the Fund and may be able to present bids with competitive terms for investment opportunities also identified by the General Partner.

#### Concentration of Investments.

The Fund will participate in a limited number of Portfolio Investments and, as a consequence, the aggregate return of the Fund may be substantially adversely affected by the performance of a single Portfolio Investment. The Fund's Portfolio Investments may be concentrated in similar types of assets, and the returns of the Fund can be substantially impacted by adverse developments in a particular portfolio company or asset in which the Fund has a greater concentration. Furthermore, to the extent that the capital raised is less than the targeted amount, the Fund might invest in fewer Portfolio Investments than anticipated and thus be less diversified.

#### Illiquid and Long-Term Investments.

Although the Fund targets Portfolio Investments that generate current income, the return of capital and the realization of gains, if any, from a Portfolio Investment will most likely occur only upon the partial or complete disposition of such Portfolio Investment. While a Portfolio Investment may be sold at any time, it is generally expected that the disposition of most of the Fund's Portfolio Investments will not occur for a number of years after such Portfolio Investments are made. It is unlikely that there will be a public market for the securities or other assets held by the Fund at the time of their acquisition, and such securities or assets may require a substantial length of time to liquidate.

#### Investment in Small Companies.

There is no limitation on the size or operating experience of the companies in which the Fund can invest. Some small companies in which the Fund can make investments may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth. Companies with new products or services could sustain significant losses if projected markets do not materialize. Some small companies can have shorter operating histories, narrower product lines and smaller market shares than larger businesses in their industries. This can render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns, and entail a greater risk than investments made in larger companies.

#### Control Position.

The Fund can acquire control or exercise influence over the management, operation and strategic direction of portfolio companies in which it invests. The exercise of control and/or significant influence over a company imposes additional risks of liability for regulatory non-compliance, environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability generally characteristic of business operations may be ignored. The exercise of control and/or significant influence over a portfolio company could expose the assets of the Fund to claims by such portfolio company, its security holders, its creditors and its regulators. While the General Partner intends to manage the Fund in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

#### Leverage.

Certain of the Fund's Portfolio Investments may include portfolio companies whose capital structures have leverage. While investments in leveraged companies and assets offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. Portfolio companies or assets can be highly leveraged and therefore can be more sensitive to adverse business or financial developments or economic factors. Moreover, rising interest rates can have a more pronounced effect on the profitability or survival of such companies.

### Equity Securities.

The Fund can invest in common and preferred stock and other equity securities, including both public and private equity securities. Equity securities generally involve a high degree of risk and will be subordinate to the debt securities and other indebtedness of the issuers of such equity securities. Prices of equity securities generally fluctuate more than prices of debt securities and are more likely to be affected by poor economic or market conditions. In some cases, the issuers of such equity securities can be highly leveraged or subject to other risks such as limited product lines, markets or financial resources. In addition, actual and perceived accounting irregularities can cause dramatic price declines in the equity securities of companies reporting such irregularities or that are rumored to be subject to accounting regularities. The Fund can experience a substantial or complete loss on individual equity securities.

### Non-U.S. Investments.

While the Fund expects to target opportunities generally in North America, a portion of the Fund's investments can be made globally. Foreign investments involve certain risks not typically associated with investing in U.S. investments, including risks relating to (a) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which the Fund's foreign Portfolio Investments can be denominated, and costs associated with conversion of investment principal and income from one currency into another, (b) differences between the U.S. and foreign securities markets, including potential price volatility in and relative illiquidity of some foreign securities markets, (c) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation, (d) certain economic and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital and the risks of political, economic or social instability, (e) obtaining foreign governmental approvals and complying with foreign laws, (f) the possible imposition of foreign taxes on income and gains recognized with respect to such securities and (g) less developed corporate laws regarding fiduciary duties and the protection of investors.

### Volatility Risk.

Volatile market conditions can occur and can have a dramatic effect on the value of private investments. Terrorist attacks; other acts of violence or war; health-related outbreaks, epidemics and/or pandemics; natural hazards; and/or force majeure, among other events and conditions can affect the operations and profitability of a Fund's portfolio companies. Such events also could cause consumer confidence and spending to decrease or result in increased volatility in the U.S. and worldwide financial markets and economy(ies). Any of these occurrences, and any combination, could have a significant impact on the operating results and revenues of a Fund's Portfolio Investments and, in turn, on the return of a Fund's investments.

### **Risks Related To Investments In Real Estate**

#### General Real Estate Risks.

All real estate investments, ranging from equity investments to debt investments, are subject to some degree of risk. For example, real estate investments are relatively illiquid and, therefore, will tend to limit the Fund's ability to vary the Fund's portfolio promptly in response to changes in economic or other conditions. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuation and cycles in value, specific market conditions can result in occasional or permanent reductions in the value of the Portfolio Investments. In addition, the ability of the Fund to



realize anticipated rental and interest income on its equity and debt investments will depend on many factors which can be beyond the control of Jadian on the financial reliability of the Portfolio Investments' tenants and borrowers, the location and attractiveness of the properties in which it invests, the supply of comparable space in the areas in which its properties are located (affected, for instance, by over-building) and general economic conditions. There is no assurance that the Portfolio Investments will be profitable or that cash flow will be available for distribution to Partners. Other risks include (a) changes in general economic or local conditions; (b) changes in or promulgation and enforcement of zoning, land use, building, environmental protection, occupational safety and other governmental laws and regulations; (c) changes in operating expenses; (d) changes in real estate tax rates; (e) changes in interest rates; (f) changes in costs and terms of mortgage loans; (g) unavailability of mortgage funds which may render the construction, leasing, sale or refinancing of a property difficult; (h) fluctuations in energy prices and energy and supply shortages; (i) changes in the relative popularity of properties; (j) changes in the number of buyers and sellers of properties; (k) the financial condition of borrowers and of tenants, buyers and sellers of property; (l) the imposition of rent controls; (m) the ongoing need for capital improvements; (n) cash-flow risks; (o) construction risks; (p) natural catastrophes; (q) acts of war, terrorism or civil unrest; (r) epidemics and/or pandemics; (s) various uninsured or uninsurable risks and uninsurable losses; and (t) other factors beyond the control of the Fund's management. As investments in real estate generally are not liquid, there is no assurance that there will be a ready market for the Portfolio Investments.

#### Risks Associated with Certain Types of Real Estate.

The Fund can invest in various types of real estate assets, including multifamily residential, commercial, industrial, retail and hospitality, each of which is subject to the general risks associated with owning and operating real estate described in "General Real Estate Risks" above. In addition, other factors that can adversely affect the value and successful operation of, and income generated from, these types of Investments include: the physical attributes of a building used to generate income, such as its age, condition, design, appearance, access to transportation and construction quality; location of the property, for example, a change in neighborhoods over time or desirability of the area to the target tenant population; ability of management to provide adequate maintenance and insurance; the types of services or amenities that the property provides; the property's reputation; competition from other real estate investors, which may affect the number of similar properties available; the level of mortgage interest rates, which may encourage tenants to purchase rather than lease property; presence or construction of competing properties; the quality of tenants and tenant mix, such as the tenant population being heavily dependent on specific industries or businesses or, particularly with respect to residential real estate properties, being predominantly students; adverse local, regional 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; and federal, state, and local regulations, which may affect the building owner's ability to increase rent to market rent for an equivalent property. Any of the foregoing could have a material adverse effect on the performance of a Portfolio Investment.

In addition, Portfolio Investments in these sectors can be adversely affected by the following particular risks:

- **Multifamily Residential Real Estate.** 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 lawsuits under various "Landlord and Tenant Acts" and other general consumer protection statutes for

coercive, abusive or unconscionable leasing and sales practices. There can be 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 regulation of the landlord-tenant relationship, numerous towns and municipalities impose rent control on apartment buildings. These ordinances can limit rent increases to certain set percentages, to increases set or approved by a governmental agency, or to increases determined through mediation or binding arbitration. Similarly, governmental assistance programs that provide rent subsidies to tenants pursuant to tenant voucher programs may influence tenant mobility and the amount of rent a tenant can pay.

- **Commercial Properties.** Commercial properties can be especially affected by: an economic decline in the business operated by the tenants; the physical attributes of the property and the adaptability of the property with respect to the technological needs of the tenants; the strength and nature of the local economy, including labor costs and quality, tax environment and quality of life for employees; and patterns of telecommuting or sharing of office space, and employment growth (which creates demand for office space). Moreover, the cost of refitting office space for a new tenant is often higher than the cost of refitting other types of properties for new tenants.
- **Infrastructure.** Infrastructure investments can be subject to risks incidental to the ownership and operation of infrastructure projects, including risks associated with the general economic climate, geographic or market concentration, the ability of the Fund to manage such Portfolio Investments, government regulations and fluctuations in interest rates. Since investments in infrastructure and similar assets have historically experienced significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of such Portfolio Investments.
- **Retail Properties.** In many cases, the tenants of retail properties can negotiate leases containing certain exclusive rights to sell particular types of merchandise or services within a particular retail center. When leasing other space after vacancy by another tenant, these provisions can limit the number and types of prospective tenants for the vacant space. In addition, certain retail properties can be anchored by department stores and other large nationally recognized tenants. The value of Portfolio Investments could be materially and adversely affected if these "anchor" tenants fail to comply with their contractual obligations or cease their operations. In particular, certain department stores and other national retailers have experienced, and could continue to experience for the foreseeable future, considerable decreases in customer traffic in their retail stores due to, among other factors, increased competition from alternative retail options such as those accessible via the Internet. As pressure on these department stores and national retailers increases, their ability to meet their obligations as a tenant can be impaired and result in closures of their stores or their seeking of lease modifications. Any lease modification could be unfavorable and could decrease rents or expense recovery charges. Other tenants in turn can be entitled to modify the economic or other terms of, or terminate, their existing leases in the event of closures by such "anchor" tenants.
- **Hospitality Properties.** Because hotel rooms generally are rented for very short periods of time, hospitality properties tend to be affected more quickly by adverse economic conditions and competition than other commercial properties. Hospitality properties are also affected by other particularized factors, including: franchise affiliation (or lack thereof); 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 owner and operator of a hotel or motel; and changes in travel patterns caused by changes in access, energy prices, strikes, relocation of highways, the construction

of additional highways or other factors. The performance of a hotel property affiliated with a franchise or hotel management company depends in part on: the continued existence and financial strength of the franchisor or hotel management company; the public perception of the franchise or hotel chain service mark; and the duration of the franchise licensing or management agreements. Furthermore, the ability of a hotel to attract customers, and some of such hotel's revenues, can depend in large part on its having a liquor license. Liquor licenses may not be transferable (for example, in connection with a foreclosure). Moreover, the hotel and lodging industry is generally seasonal in nature; different seasons affect different hotels depending on type and location. This seasonality can be expected to cause periodic fluctuations in a hospitality property's room and restaurant revenues, occupancy levels, room rates and operating expenses. In addition, acts of war, terrorist activities, natural disasters and environmental disasters and pandemics can have a material adverse impact on the tourism and convention industries, which directly affects the revenues generated by hospitality properties. Finally, hospitality properties are facing new and increased competition from non-traditional market players, including those focused on the sharing economy, which can disrupt the hospitality industry and reduce demand for traditional hotels.

#### Risks Associated with Commercial Mortgage Loans and Subordinate Real Estate Loan Interests.

The Fund can invest in interests that entitle the holders thereof to receive payments that depend primarily on the cash flow from or sale proceeds of mortgages on real property or interests therein ("**Commercial Mortgage Loans**"). Commercial Mortgage Loans have certain distinct risk characteristics. Mortgage loans on commercial properties generally lack standardized terms, which can complicate their structure and increase due diligence costs. Commercial real estate properties tend to be unique and are more difficult to value than residential real estate properties. In addition, commercial real estate properties, particularly industrial and warehouse properties, are generally subject to relatively greater environmental risks than non-commercial properties and to the corresponding burdens and costs of compliance with environmental laws and other regulations.

Investments in Commercial Mortgage Loans can include subordinate Commercial Mortgage Loans and participation interests in Commercial Mortgage Loans, including subordinate interests (collectively, "**Subordinate Real Estate Loan Interests**"). After the occurrence and during the continuation of an event of default under the applicable loan documents, the Subordinate Real Estate Loan Interests are generally not entitled to receive any payments of principal or interest unless and until any related senior loans are paid in full. In addition, any losses and expenses, including losses of principal or interest, non-recoverable advances, interest on advances and special servicing compensation are generally borne first by the holders of Subordinate Real Estate Loan Interests and then by the holders of senior loan interests.

Servicing of Commercial Mortgage Loans is generally performed by a servicer or special servicer. Although the Fund, as holder of the Subordinate Real Estate Loan Interests (or Jadian or an operating advisor on its behalf), could have the right to appoint the special servicer for the related Commercial Mortgage Loan and could have limited rights to consult with, and approve certain servicing actions of, the servicer or special servicer of the Commercial Mortgage Loan, such rights will generally terminate if the principal balance of such Subordinate Real Estate Loan Interests, as the result of principal write-downs or appraisal reductions, is reduced below a specified percentage threshold of the principal balance. Generally, the issuer will not have the right directly to enforce compliance by the borrower with the terms of the loan documents or to waive enforcement thereof and has assigned to the holder of the related senior interests (or the servicer or special servicer on its behalf) the right to vote all claims in any bankruptcy of the borrower. In addition, the loan documents typically restrict the transfer of interests in the Subordinate Real Estate Loan Interests to persons other than certain institutional investors.

#### Risks Associated with Mezzanine Loans.

The Fund can make or invest in mezzanine loans secured by ownership interests in entities owning commercial properties (“**Mezzanine Loans**”). Mezzanine Loans typically are subordinate to other debt obligations of the borrower, and therefore have more risk of loss than senior debt. Mezzanine Loans can include loans secured by one or more direct or indirect ownership interests in a company, partnership or other entity owning, operating or controlling, directly or through subsidiaries or affiliates one or more commercial properties. Although not secured by the underlying real estate, repayment of a Mezzanine Loan is dependent on the successful operation of the underlying commercial properties. It is expected that the commercial properties owned by such entities are or will be subject to existing mortgage loans and other indebtedness. As a result, the effective realization on the collateral securing a Mezzanine Loan in the event of default can be limited.

#### Risk of Unknown Liabilities.

The Fund can also acquire properties subject to known or unknown liabilities and with limited or no recourse. As a result, if liability were asserted against the Fund based upon such properties, the Fund could have to pay substantial sums to dispute or remedy the matter, which could adversely affect the Fund’s cash flow and returns. Unknown liabilities with respect to properties acquired could include, for example: liabilities for clean-up of undisclosed environmental contamination; claims by tenants, vendors or other persons relating to the former owners of the properties; liabilities incurred in the ordinary course of business; and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties. See also “Environmental Risks and Potential Environmental Liability on Real Estate” below. As a result of the foregoing, even if suitable investments are made, the Fund’s financial condition and results of operations could be materially and adversely affected, and the objective of the Fund may not be achieved.

#### Environmental Risks and Potential Environmental Liability on Real Estate.

Real estate assets are subject to numerous statutes, rules and regulations relating to environmental protection. Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real estate (which may include a lender in some instances) can be liable for non-compliance with applicable environmental and health and safety requirements and can be required to investigate and clean up any hazardous or toxic substances or petroleum product releases at such property. An owner or operator can also be liable to a governmental entity or to third parties for non-compliance with applicable environmental and health and safety requirements and for property damage and for investigation, monitoring, removal, remediation and clean-up costs incurred by such parties in connection with contamination. These laws typically impose clean up responsibility and liability without regard to whether the owner or operator knew of, was responsible for 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 can adversely affect the owner’s ability to sell or rent such property or to borrow using such property as collateral. The presence of hazardous materials on a property could also result in personal injury, property damage or similar claims by private parties.

#### Risks Associated with Participations in Real Estate Loans.

Purchases of participations in real estate loans raise many of the same risks as investments in real estate

loans and also carry risks of illiquidity and lack of control. Holders of indirect participation interests are subject to additional risks not applicable to a holder of a direct assignment interest in a loan. Participations typically result in the purchaser holding a contractual relationship only with such selling institution, not with the obligor. In purchasing a participation, the Fund will assume the credit risk of both the obligor and the selling institution. In the event of the insolvency of the selling institution, the Fund can be treated as a general creditor of the selling institution in respect of the participation, may not benefit from any set-off exercised by the selling institution against the obligor and can be subject to any set-off exercised by the obligor against the selling institution. The Fund can have limited ability to monitor the terms of the loan agreement and the continuing creditworthiness of the borrower and may not have the right to vote to waive enforcement of any default by an obligor. A selling institution can have interests different from those of the Fund, and the selling institution might not consider the interests of the Fund when taking actions with respect to the loan underlying the participation. The Fund can enter into a participation arrangement with the intent of ultimately acquiring a Portfolio Investment by way of assignment, but such transaction may take longer than the Fund originally anticipated or may never occur. Participations are typically sold strictly without recourse to the selling institution thereof, and the selling institution will generally make no representations or warranties about the underlying loan, the borrowers, the documentation of the loans or any collateral securing the loans. Certain loans have restrictions on participations that can negatively impact the Fund's ability to exit from all or part of its Portfolio Investment in a loan.

#### Investment in Non-Performing or Troubled Assets.

The Fund can originate performing debt investments and can acquire not only performing, but sub-performing or non-performing debt interests as well, including sub-prime and non-performing loans, which are secured directly or indirectly by real estate. These assets involve a high degree of financial risk and there can be no assurance that the Fund's IRR objectives will be realized or that there will be any return of capital. Such assets generally carry below-investment grade credit ratings, or lack credit ratings altogether. These assets and/or the loans underlying these types of assets can be in default or can have a greater than normal risk of future defaults, delinquencies, bankruptcies or fraud losses. In addition to the risks of borrower default, the collateral can be mismanaged or otherwise decline in value during periods in which the Fund is seeking to obtain control of the underlying real estate. It is possible that the Fund could find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased or originated by the Fund. The foreclosure process can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan including lender liability claims and defenses, even when such assertions have no basis in fact, in an effort to prolong the foreclosure action. In some states, foreclosure actions can take up to several years to conclude. At any time during the foreclosure proceedings, the borrower can file for bankruptcy, staying the foreclosure action and further delaying the foreclosure process. Investments in assets operating in workout modes under Chapter 11 of the U.S. Bankruptcy Code, or the equivalent in non-U.S. jurisdictions, are, in certain circumstances, subject to certain additional potential liabilities which can exceed the value of the Fund's original Portfolio Investment, including Equitable Subordination (as defined below) and/or disallowance of claims or lender liability. For example, under certain circumstances, lenders who have inappropriately exercised control of the management and policies of a debtor can have their claims subordinated or disallowed or counterclaims can be filed, and lenders may be found liable for damages suffered by various parties as a result of such actions. In addition, under certain circumstances, payments to the Fund and distributions by the Fund to its Limited Partners can be reclaimed to the extent that any such payment or distribution originated with a troubled asset and is later determined to have been a fraudulent conveyance or preferential payment under applicable law.

## Item 9 – Disciplinary Information

There are no legal or disciplinary events that are material to a limited partner's or prospective limited partner's evaluation of Jadian's advisory business or the integrity of Jadian's management.

## Item 10 – Other Financial Industry Activities and Affiliations

Jadian is not registered, nor do we have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Jadian is also not registered, nor do we have any application pending to register, as a futures commission merchant.

The General Partner of the Fund has filed for an exemption from registration as a commodity pool operator in accordance with Commodity Futures Trading Commission ("CFTC") Rule 4.13(a)(3) and Jadian has filed for an exemption from registration as a commodity trading advisor in accordance with CFTC Rule 4.14(a)(8).

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

### **Code of Ethics**

The Code of Ethics (the "**Code**") is documented in the Firm's Compliance Manual and Code of Ethics (the "**Manual**"), a copy of which (and any amendments) is provided to each access person of the Firm. Each such person must certify that he or she has read, understands and agrees to comply with the Firm's Manual and must also certify annually that he or she has complied with the Manual.

### **Personal Trading**

The Code requires personal trades to be pre-cleared by the Chief Compliance Officer or his designee for all covered securities which include all debt and equity securities (including initial public offerings and private placements); options on securities, on indices and on currencies; limited partnership and limited liability company interests, including interest in private investment funds (such as hedge funds), and interests in investment clubs; and foreign unit trusts and foreign mutual funds. Any exceptions to this policy must be expressly approved by the Chief Compliance Officer or his designee.

The Code requires all access persons to provide personal trading account information after commencing employment with the Firm. At the end of each calendar quarter, access persons are required to confirm that all brokerage accounts opened and all transactions that occurred during the preceding quarter have been reported.

### **Conflicts of Interest**

The following list of conflicts of interest does not purport to be a complete enumeration or explanation of the conflicts involved in an investment in the Fund. In addition, as the Fund's investment program develops and changes over time, an investment in the Fund can be subject to additional and different conflicts.

**Generally.** Conflicts of interest can exist in the structure and operation of the Fund's business. There can be no assurance that the General Partner or Jadian, as applicable will resolve all conflicts of interest in a manner that is favorable to the Fund. In addition, investors should note that the Fund's limited partnership agreement (the "**Fund Agreement**") contains provisions that, subject to applicable law, (a) reduce or eliminate the duties, including fiduciary and other duties, to the Fund and the Limited Partners to which the

General Partner would otherwise be subject, (b) waive duties or consent to the conduct of the General Partner that might not otherwise be permitted pursuant to such duties, and (c) limit the remedies of Limited Partners with respect to breaches of such duties.

**Carried Interest of the General Partner.** The existence of the General Partner's Carried Interest Distributions can create an incentive for the General Partner to make more speculative Portfolio Investments on behalf of the Fund than it would otherwise make in the absence of such performance-based arrangement. However, the General Partner's Commitment to the Fund and the General Partner's clawback should tend to reduce this incentive. In addition, recent legislation generally requires a holding period of more than three years for Portfolio Investments in order for the General Partner's carried interest in respect of such Portfolio Investments to be taxed at preferential long-term capital gains tax rates. This new holding period requirement can incentivize the General Partner to cause the Fund to hold Portfolio Investments longer than it would have, or take, or fail to take, other actions in order to lengthen or maintain the holding period of a Portfolio Investment.

**Management Fee.** As a result of the fact that there is no Commitment Fee after the end of the Fund's investment period and the Management Fee is based upon commitments funded in respect of Portfolio Investments that have not been the subject of a disposition and Portfolio Investments that have not been written down to zero, there can be an incentive to deploy capital in Follow-on investments post-investment period when Jadian may advise the Fund otherwise during the investment period. This incentive similarly exists with respect to the Priority Overflow Vehicle which does not pay a Commitment Fee but does pay a Management Fee in respect of Funded Commitments, thus furthering the incentive to make Portfolio Investments sooner (and creating an incentive to allocate investments to the Priority Overflow Vehicle).

**Other Fees.** Jadian and its affiliates do not expect to, but can, receive certain fees (e.g., break-up, directors', transaction, consulting, management and other similar fees) and can receive expense reimbursements from portfolio companies or third parties in connection with Portfolio Investments or proposed Portfolio Investments made by the Fund or the existing portfolio investments of the Co-Investment Vehicles. Jadian's ability to receive fees (and related expense reimbursements) for performing consulting and other services for a Portfolio Investment or an existing portfolio investment of a Co-Investment Vehicle, or serving as directors (or similar positions) of a portfolio company, represents a conflict of interest to the extent that the Fund or the respective Co-Investment Vehicle has or will have control or significant influence over such Portfolio Investment, portfolio company or existing investment, as applicable. This potential conflict of interest is mitigated by the fact that the amounts of any transaction fees are typically negotiated with the applicable portfolio company's management team and/or any roll-over equity holders, as well as the fact that the Fund's and Co-Investment Vehicles' practices respecting other fees are disclosed in their respective organizational documents. See also discussion in Item 5 – Other Fees, above.

Jadian and its affiliates will not receive such aforementioned "Other Fees" in connection with asset management services provided to the FTP Fund III investment portfolio.

**Valuation.** Valuation of assets acquired in a Portfolio Investment can be difficult, and there generally will be no established market for these assets. The General Partner's determination of the fair value of an investment can impact the calculation of the Management Fee to the extent that such valuation would result in a write-off, which could incentivize the General Partner to refrain from writing down Portfolio Investments.

**Allocation of Time.** Due to the fact that the Key Person and the investment team can work on other projects unrelated to the Fund, conflicts can arise with respect to the allocation of time.

**Allocation of Investment Opportunities.** In addition to the Fund, Jadian can, and does, serve as the investment manager to certain other entities. As such, certain conflicts can arise in the allocation of investment opportunities and in connection with the acquisition and/or disposition of investments by the Fund. However, until the expiration of the Fund's investment period, each prospective investment opportunity identified by the General Partner, Jadian or the Key Person that is within the scope of the Fund's investment objectives shall be made available to the Discretionary Vehicle before being offered to any other person. The Co-Investment Vehicles were formed as special purpose investment vehicles for specific investments and, as such, conflicts pertaining to allocations of investment opportunities do not impact these clients. FTP Fund III is outside its investment period and, as such, conflicts pertaining to allocations of investment opportunities do not impact this client.

Notwithstanding the foregoing and except as provided in "Co-Investment with Third Parties" below, Jadian intends to allocate any portion of a prospective Portfolio Investment that is determined by the General Partner to not be appropriate for the Discretionary Vehicle to the Priority Overflow Vehicle. The General Partner will determine the appropriate allocation for the Discretionary Vehicle on a basis the General Partner believes is fair and equitable taking into account all factors deemed by the General Partner to be relevant and appropriate including, without limitation, the expected amount of capital required for the investment, the relative amounts of capital available for investment, the expected life cycle and projected future capacity for investment of the Discretionary Vehicle, the existing portfolio of the Discretionary Vehicle, the risk profile of the investment, the ability of the Discretionary Vehicle to accommodate structural, timing or other aspects of the investment process, the Discretionary Vehicle's targeted rate of return and investment holding period, the stage of development of the prospective Portfolio Investment, any concentration considerations, including performance drivers, of the Discretionary Vehicle, and legal, tax, contractual or regulatory considerations and other considerations deemed relevant by the General Partner in good faith. Any portion of a prospective Portfolio Investment offered to the Priority Overflow Vehicle that is not subscribed for by POV Limited Partners may be offered as co-investment opportunities to Limited Partners or third parties in the manner described in "Co-Investment with Third Parties" below.

In addition, with respect to any successor fund for which an initial closing of investors has been held prior to the expiration of the Fund's investment period, Jadian intends to allocate investment opportunities that meet the investment objectives of the Fund and such successor fund on a basis which the General Partner believes is fair and equitable.

Notwithstanding the foregoing, Jadian and its affiliates will be able to make certain investments that are not within the scope of the Fund's investment objectives outside of the Fund which, for the avoidance of doubt, shall include: (a) investments that Jadian underwrites to 10% or lower base case gross IRRs; (b) investments expected to be held for over 10 years; and (c) investments that require less than \$5 million of equity that are outside of a theme the Fund is pursuing or planning to pursue.

**Successor Funds.** Jadian and its affiliates can, in the future, manage a successor fund. As such, certain conflicts could arise in the allocation of investment opportunities and in connection with the acquisition or disposition of investments by the Fund. Until the earlier of (a) the end of the Fund's investment period, (b) such time as the Fund is at least 75% drawn down or reserved or (c) the date that the Discretionary Vehicle has been terminated or dissolved, any successor fund can co-invest with the Fund, with amounts for



investment allocated between the Fund and the successor fund on a basis that the General Partner believes is fair and reasonable. For the avoidance of doubt, Jadian can in the future manage other region-specific or sector-specific vehicles or accounts or other separately-managed accounts, which such vehicles or accounts will not be deemed to be successor funds.

**Co-Investment with Third Parties.** On an investment-by-investment basis, the General Partner or Jadian can form one or more co-investment entities through which certain persons, including certain Limited Partners and other third parties (“**Co-Investors**”), can participate in specific investments of the Fund. In connection with such investments, the General Partner or Jadian can determine to form one or more co-investment entities and offer participation in such co-investment entities to Co-Investors or may permit Co-Investors to participate directly in an investment. The offering of co-investment opportunities will be at the sole discretion of the General Partner. Generally, prospective Portfolio Investments will first be offered to the Discretionary Vehicle and then, when applicable, to the Priority Overflow Vehicle (as further described in “Allocation of Investment Opportunities” above) before being offered as co-investment opportunities. However, in certain cases, the General Partner could offer a potential co-investment opportunity to one or more persons that are of strategic benefit in respect of the applicable investment opportunity or to the Fund, even if such person is a non-Limited Partner, ahead of offering such co-investment opportunity to the Priority Overflow Vehicle. Co-investment opportunities can be offered to some and not other Limited Partners, with allocations that can differ from their proportionate investments in the Fund. Co-Investors’ and Limited Partners’ abilities to respond in a timely fashion to a co-investment opportunity and successfully complete the transaction will also be taken under consideration when prioritizing allocations. Co-investment opportunities will generally not be allocated on a pro rata basis in accordance with relative ownership in the Fund or other co-investment vehicles. Jadian reserves the right to gauge aggregate market demand and may choose to allocate participation based on pro rata participation in the Fund or co-investment vehicles, or based on discrete factors specific to the investment.

Co-Investors will typically bear their pro rata share of fees, costs and expenses related to the discovery, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging and disposition of their co-investments and may be required to pay their pro rata share of fees, costs and expenses related to potential investments that are not consummated, such as broken deal expenses (including “reverse” breakup fees). The General Partner endeavors to allocate such fees, costs and expenses on a fair and equitable basis. In addition, in certain circumstances, Co-Investors may not bear such fees, costs and expenses because they have not yet been identified (or their anticipated allocation has not yet been identified) as of the time such potential investment ceases to be pursued or are not yet committed to such potential investment. In those events, such fees, costs and expenses will be considered operating expenses of and be borne by the Fund. The General Partner or an affiliate thereof could receive a carried interest and Jadian can receive a management fee in respect of any co-investment opportunities.

To the extent that any co-investor is offered an opportunity to invest in a Portfolio Investment, because the General Partner is not necessarily required to offset fees for such co-investments, it could incentivize the Fund to allocate a greater portion of the investment to the co-investor than it would otherwise make in the absence of such an arrangement. The foregoing is mitigated by the fact Jadian and its affiliates do not expect to receive transaction fees in connection with Portfolio Investments or proposed Portfolio Investments made by the Fund.

**The Priority Overflow Vehicle and Parallel Investment Vehicles.** The Priority Overflow Vehicle or the use of a parallel investment vehicle structure can create a conflict of interest in that different tax considerations

for the Priority Overflow Vehicle or the parallel investment vehicles can cause Jadian to structure or dispose of an investment in a manner that is more advantageous to the Discretionary Vehicle than it is to the Priority Overflow Vehicle or any such parallel investment vehicles, and vice-versa. While each parallel investment vehicle is generally expected to invest proportionately, on the basis of available capital, in all Portfolio Investments on the same terms and conditions as the Fund, as a result of legal, tax, regulatory and other considerations, there can be circumstances when that is not the case.

**Cross Transactions.** When permitted by applicable law and subject to and in accordance with the terms of the applicable Fund documents, the General Partner is permitted (and in certain cases, may be obligated) to cause the relevant Fund to acquire or dispose of investments in cross trades between such Fund and other Funds or clients advised by Jadian or an affiliate thereof. There may be potential conflicts of interest or regulatory issues relating to these transactions, which could limit the General Partner's decision to engage in these transactions for the applicable Fund. In connection with a cross trade, the General Partner and its affiliates may have a potentially conflicting division of loyalties and responsibilities regarding such Fund and the other parties to the trade and have developed policies and procedures in relation to such transactions and conflicts. However, there can be no assurance that such transactions will be effected, or that such transactions will be effected in the manner that is most favorable to the applicable Fund as a party to any such transaction.

**Principal Transactions.** In connection with Jadian's management of the Funds, Jadian and its affiliates may engage in principal transactions in the future. Although Jadian does not anticipate entering into principal transactions, Jadian has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including (i) obtaining any required approvals, including that of the applicable Fund's limited partner advisory board (as required) and (ii) making any disclosures to the applicable Fund(s) required by Section 206 of the Advisers Act.

**Diverse Limited Partners.** The Limited Partners can have conflicting investment, tax and other interests with respect to their investments in the Fund. The conflicting interests of individual Limited Partners can relate to or arise from, among other things, the nature of the Portfolio Investments made by the Fund, the structuring or the acquisition of Portfolio Investments and the timing of the disposition of Portfolio Investments. As a consequence, conflicts of interest can arise in connection with the decision made by the General Partner or Jadian, including with respect to the nature or structuring of Portfolio Investments, that can be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Fund, the General Partner and Jadian will consider the investment and tax objectives of the Fund and its Partners as a whole, not the investment, tax or other objectives of any Limited Partner individually.

**Access to Insider Information.** As a result of participation by representatives of Jadian on boards of certain companies, and/or as a result of confidentiality agreements or non-disclosure agreements entered into by the Fund or Jadian, the Fund could acquire confidential or material, non-public information or be restricted from initiating transactions in certain securities. The Fund will not be free to act upon any such information and such information can serve to restrict the Fund in its investment activities. Due to these restrictions, the Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell a Portfolio Investment that it otherwise might have sold. Such possession of material, non-public information can create a conflict of interest between the representatives' and Jadian's duties and obligations to the companies on whose boards these representatives participate and the Fund's ability to effect purchases and sales of the securities of such companies. Inadvertent trading on material non-public

information could have adverse effects on Jadian's reputation, result in the imposition of regulatory or financial sanctions, and as a consequence, negatively impact Jadian's ability to perform its investment management services on behalf of the Fund; provided that the foregoing is mitigated by the fact that Jadian maintains a Code of Ethics that is designed to limit its employees' ability to engage in personal trading and allow Jadian to monitor such activity.

**Conflicts with Portfolio Companies.** Officers and employees of Jadian can serve as directors or officers of certain portfolio companies and, in that capacity, will be required to make decisions that they consider to be in the best interests of such portfolio companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that can be in the best interest of the portfolio company could not be in the best interests of the Fund, and vice versa. Accordingly, in these situations, there will be conflicts of interests between such individual's duties as an officer or employee of Jadian and such individual's duties as a director or officer of such portfolio company.

**Strategic Co-Investment Partners.** Jadian and Portfolio Investments are expected from time to time to retain individuals, which can be third-party consultants (including senior advisors, operating partners, specialized consultants, external executives or other similarly qualified professionals) to provide services to Jadian, the Fund or to portfolio companies on an as needed basis in their specific areas of expertise. A Strategic Co-Investment Partner can be engaged directly by one or more Portfolio Investments to provide services to such Portfolio Investments, including advisory or consulting services or serving in interim management positions. If a Strategic Co-Investment Partner provides services to a Portfolio Investment, such Strategic Co-Investment Partner can receive from such Portfolio Investment, in connection with such role, (a) compensation (which may, from time to time, include stock options or other equity and/or management, director, consulting, advisory and other similar fees and compensation) and/or (b) reimbursement from such Portfolio Investment for out-of-pocket expenses incurred in connection with such Portfolio Investment's business. Any such compensation or expense reimbursement will not be considered offsetable fees as described in "Other Fees" above. In addition, a Strategic Co-Investment Partner can, from time to time (i) invest directly or indirectly in one or more Portfolio Investments, (ii) receive reimbursement from the Fund for out-of-pocket expenses incurred in connection with the Fund's business and/or (iii) receive consulting or other similar fees from the Fund for services provided. Further, a Strategic Co-Investment Partner can be offered the opportunity to invest in the Fund with preferred economic terms or receive compensation from Jadian calculated in relation to the amount of certain Carried Interest Distributions made by the Fund.

**Service Providers and Suppliers.** Jadian generally may, in its discretion, cause a Fund or a Portfolio Investment thereof to, or recommend to such Fund or Portfolio Investment thereof (in response to a solicitation for a recommendation or otherwise) that it, contract for services with certain service providers in connection with the operations of such Fund or Portfolio Investment. From time to time such service providers may include: (i) Jadian or a related person of Jadian (including but not limited to a Portfolio Investment and/or JIOS (as defined below)); (ii) an entity with which Jadian or its affiliates or a member of their personnel (or family member thereof) has a relationship or from which Jadian or its affiliates or their personnel (or family member thereof) otherwise derives financial or other benefit; or (iii) certain limited partners or their affiliates. This discretion subjects Jadian to conflicts of interest, because although Jadian selects service providers that it believes are aligned with its operational strategies and will enhance Portfolio Investment performance and, relatedly, returns of the relevant Fund, Jadian has a potential incentive to recommend, or to cause the engagement of, the related or other person because of its financial or other

business interest. There is a possibility that Jadian, 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 Fund or Jadian), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Jadian will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its Portfolio Investments to incur) such expenses. Although Jadian generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Whether or not Jadian has a relationship or receives financial or other benefit from recommending or retaining 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.

Jadian expects to be subject to a potential conflict of interest with a Fund, Portfolio Investments, the Co-Investment Vehicles and/or FTP Fund III, in recommending or causing the retention or continuation of a third-party service provider to such Fund or a Portfolio Investment if such decision, for example, is motivated by a belief that the service provider or its affiliate(s) will provide its services at a reduced cost, will continue to invest in one or more Funds, will provide Jadian information about markets and industries in which it operates (or is contemplating operations) or will provide other services that are beneficial to Jadian or one or more other Funds or Portfolio Investments. Jadian expects to be subject to a potential conflict of interest in making such recommendations, or causing such engagements, in that Jadian has an incentive to maintain goodwill between it and the existing or prospective service provider, while the products or services recommended or engaged for may not necessarily be the best available to a Fund or its Portfolio Investments.

Notwithstanding the foregoing, service providers will be selected by Jadian on behalf of the Funds and Portfolio Investments with due care and consistent with its obligations under applicable law and Jadian will only select a service provider to the extent it determines that doing so is in the best interests of the applicable Fund or Portfolio Investment given all surrounding facts and circumstances, provided that, for the avoidance of doubt, Jadian may not necessarily seek out the lowest-cost option when engaging such service providers. There also may be instances where Portfolio Investments provide services to one another or receive different levels of discounts for services. Further, Jadian can, from time to time, receive a discount on services provided to it by a common service provider even though a Fund, the Portfolio Investments, the Co-Investment Vehicles and/or FTP Fund III can receive a lesser, or no, discount. Moreover, a Fund or Portfolio Investment may bear the risk of any errors or omissions by such service providers. Additionally, subject to certain limitations, a Fund or Portfolio Investment may be required to exculpate and indemnify such service providers for any losses incurred.

Jadian Industrial Storage, LLC (“JIOS”), a majority owned and controlled affiliate of Jadian which provides operational support to industrial outdoor storage properties owned by certain Funds (including the JIOS Funds), will receive certain fees (and may receive expense reimbursements) from applicable Funds and/or Portfolio Investments (collectively, the “JIOS Fees”). The JIOS Fees may include, without limitation, construction management fees, property management fees and leasing fees. The JIOS Fees (and any expense reimbursement) will be provided on the terms set forth in the applicable Fund documents or as approved by the applicable LP Advisory Committee. The JIOS Fees will not be shared with Funds or the Limited Partners, and fees and expense reimbursement provided may be substantial. The JIOS Fees will not offset management fees payable by a Fund. This fee potential, both current and future, inherent in a particular transaction could be an incentive for Jadian to seek to refer or recommend a transaction to the

Fund.

**LP Advisory Committee.** The Fund's General Partner could in certain situations choose to seek the approval of the members of the Fund's LP Advisory Committee with respect to potential conflict of interest situations and LP Advisory Committee approval will be required to resolve certain conflicts and other matters. Although the LP Advisory Committee is intended to act as a representative of the Limited Partners, the individual members of the Advisory Committee do not owe fiduciary duties to the Fund and can have interests that differ from the interests of all Limited Partners. Each member of the LP Advisory Committee and the Limited Partner represented by such member shall be entitled to consider only such Limited Partner's interests in connection with such member's participation on the LP Advisory Committee and shall have no duty otherwise arising at law or in equity to consider the interest of the Limited Partners or the Fund. As such, the LP Advisory Committee could not always act in a manner that is consistent with the interests of Limited Partners as a whole. Nevertheless, any such approval by the LP Advisory Committee will be binding upon the Fund and all the Limited Partners.

**Expense Allocation with the Priority Overflow Vehicle.** An expense that is clearly attributable to either the Discretionary Vehicle or the Priority Overflow Vehicle will be allocated to the respective vehicle that incurs such expense. Expenses that are shared by the Discretionary Vehicle and the Priority Overflow Vehicle and relate to a particular Portfolio Investment will be borne pro rata according to the respective participation of the Discretionary Vehicle and the Priority Overflow Vehicle. Expenses that are shared by the Discretionary Vehicle and the Priority Overflow Vehicle and do not relate to a particular Portfolio Investment will be borne pro rata based on each vehicle's respective Commitments. Although this allocation of expenses is intended to be fair and equitable, there can be no assurance that such shared expenses will be allocated based on the to the respective benefit received by each vehicle in all cases.

**Travel Expenses.** The Fund will reimburse Jadian, the General Partner and its affiliates for out-of-pocket travel expenses, including, without limitation, air travel (which can be first or business class in accordance with Jadian's travel policy), car services, meals and hotels (which may include luxury class accommodations), incurred in making, holding or disposing of, or otherwise relating to, a Portfolio Investment and otherwise in connection with the business of the Fund. Any such travel reimbursement will be made only for travel expenses incurred in accordance and compliance with the Fund's travel policy.

**Allocation of Expenses.** The General Partner will have a conflict of interest in allocating certain expenses among Partners of the Fund as well as among the Fund and any parallel investment vehicles. For example, out-of-pocket expenses incurred by the General Partner in complying with the provisions of one or more side letters may be allocated to all Limited Partners whether or not all such Limited Partners receive a benefit from such side letter provisions. In addition, all expenses and costs incurred in connection with any non-U.S. governmental or regulatory filings made by the Fund or the General Partner in connection with the admission of any Limited Partner to the Fund will be borne by all partners in the Fund and any parallel investment vehicle.

**Transactions with Potential and Actual Limited Partners.** Prospective investors should note that the General Partner and its affiliates from time to time engage in transactions with prospective and actual Limited Partners that entail business benefits to such investors. Such transactions can be entered into prior to or coincident with an investor's admission to the Fund or during the term of their investment. The nature of such transactions can be diverse and include benefits relating to the Fund, its issuers or portfolio companies.

**Side Letters.** The General Partner, on behalf of the Fund, expects from time to time to enter into Side Letters with one or more Limited Partners which provide such Limited Partners with additional or different rights than such Limited Partners have pursuant to the Fund Agreement. As a result of such Side Letters, certain Limited Partners will receive additional rights (e.g., expanded informational rights or preferential economic terms or co-investment rights) that other Limited Partners will not receive. The General Partner could not be required to notify any or all of the other Limited Partners of any such Side Letters or any of the rights or terms or provisions thereof and could not be required to offer such additional or different rights or terms to any or all of the other Limited Partners. The General Partner, on behalf of the Fund, can enter into such Side Letter with any party as the General Partner may determine in its discretion at any time. The other Limited Partners will have no recourse against the Fund or any of its affiliates in the event that certain Limited Partners receive additional or different rights or terms as a result of such Side Letters.

## **Item 12 – Brokerage Practices**

Jadian focuses on making investments in various types of real estate assets which are negotiated, and the quality of transaction-related services varies greatly. However, Jadian seeks to achieve best execution with respect to all types of Portfolio Investments, including equities, options, futures, foreign currency exchange, and any other types of transactions that can be made on behalf of the Fund. Jadian has the authority to select prime brokers, executing brokers and futures commissions merchants (collectively, the “**Brokers**”) for the Fund.

Factors that Jadian considers in recommending or utilizing a Broker can include (i) the price, (ii) the Brokers’ facilities, reliability and relative creditworthiness, (iii) the ability of the Broker to effect the transactions, (iv) the provision or payment by the Broker of the costs of brokerage or research products or services, and (v) the ancillary services provided by such Broker such as capital introduction services, the generation of investment ideas and research services provided. The applicability of specific criteria varies depending upon the nature of the transaction, the market in which it is executed, and the extent to which it is possible to select from among multiple Brokers. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Broker’s services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Jadian seeks competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions.

### **Soft Dollars**

Jadian does not currently utilize soft dollars.

## **Item 13 – Review of Accounts**

Jadian’s portfolio Investments are regularly reviewed by the Portfolio Manager. The Jadian team meets periodically to monitor all operations, overall performance, financial performance, and strategic direction of each portfolio company owned by the Fund. The Fund is audited on an annual basis by a firm of independent public accountants. The Firm generally provides Fund limited partners with (i) audited annual financial reports, (ii) unaudited quarterly financial reports, and (iii) annual tax information for the completion of tax returns.

For new limited partners in the Fund, a copy of this Brochure is delivered prior to or at the time of investment.

#### **Item 14 – Client Referrals and Other Compensation**

Jadian does not compensate any third parties for client referrals. However, Jadian and its affiliates have entered into placement agent agreements whereby third-party placement agents have introduced investors to the Fund. Placement agents can collect fees from the Fund, which will reduce the amount of capital available to the Fund for making investments, but an amount equal to the payments made by the Fund to such placement agents is a reduction item in the calculation of the Management Fees paid by the Fund.

#### **Item 15 – Custody**

Jadian is deemed to have custody of the underlying assets of the Fund and the Co-Investment Vehicles and relies upon the pooled investment vehicles exemption from surprise custody examinations. Accordingly, the Fund and Co-Investment Vehicles are subject to a year-end audit by an independent public accounting firm that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board. Audited financial statements are distributed to all investors in the Fund and Co-Investment Vehicles within 120 days or less of the Fund's or respective Co-Investment Vehicle's fiscal year end. Jadian uses a third-party unaffiliated custodian to hold the securities and other assets of the Fund and Co-Investment Vehicles in accordance with current SEC rules and regulations.

With respect to FTP Fund III, Jadian does not have custody of underlying assets.

#### **Item 16 – Investment Discretion**

The Firm has entered into an investment management agreement with the Fund. The investment management agreement, together with the management authority granted to the General Partner pursuant to the limited partnership agreement, provides Jadian with full discretion to determine investments to be purchased and sold on behalf of the Fund and the terms of the related transactions. Limited Partners in the Fund generally may not place any limit on Jadian's authority beyond the limitations set forth in the Memorandum and other Fund documents.

The Firm has also entered into an investment management or similar agreement with each of the Co-Investment Vehicles. Such agreements, together with the management authority granted to its General Partner or Manager pursuant to the applicable underlying governing documents, do not provide Jadian with any discretion to determine initial investments to be purchased. Notwithstanding the foregoing, such agreements do provide Jadian with discretion to determine certain Follow-on investments to be purchased, as provided pursuant to the terms of such agreements. Jadian has limited discretion with respect to investment to be sold on behalf of Jadian UP Holdings LLC and the terms of the related transactions. Investors in the Co-Investment Vehicles generally may not place any limit on Jadian's authority beyond the limitations set forth in the applicable underlying governing documents.

With respect to the asset management services the Firm provides to FTP Fund III, Jadian has limited discretion to manage the underlying investments in accordance with approved business plans but no authority to purchase or sell without the consent of FTP Fund III's investment committee.

#### **Item 17 – Voting Client Securities**

While the securities evidencing the Portfolio Investments made by the Fund and Co-Investment Vehicles are not typically the subject of proxies, there could be certain circumstances where the Firm, having

discretionary authority, can be asked to vote the securities of the fund vehicles on restructuring or other corporate matters. To the extent applicable, the Firm will ensure that a record of each securities position held by each fund vehicle is maintained and, where any such vote is to occur, the Firm will ensure that all relevant information, disclosure materials and such proxies or consents as necessary for the Firm to be able to cast votes are delivered in a timely manner.

The Firm also determines whether there is, or appears to be, a material conflict of interest that could influence the voting decision in a manner that would be averse to the interests of the Fund or Co-Investment Vehicles. If the Firm determines that there is no material conflict of interest, then it will make the voting determination and take the required voting action. If the Firm determines that, due to a conflict of interest, the Firm is not capable of making an independence determination as to the voting decision related to the Fund, then the voting decision may be recommended by the Fund's limited partner advisory board.

With respect to FTP Fund III, Jadian does not have proxy voting responsibilities.

#### **Item 18 – Financial Information**

Not applicable. Jadian has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.