Form ADV Part 2A: FIRM BROCHURE

AFFINIUS CAPITAL ADVISORS LLC

(formerly known as US Equity Advisors, LLC)

as of November 22, 2023

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This Brochure provides information about the qualifications and business practices of Affinius Capital Advisors LLC ("Affinius Advisors", the "Advisor" or "Firm").

If you have any questions about the contents of this Brochure, please contact us at compliance@affiniuscapital.com or (800) 531-8182. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Affinius Advisors is an investment adviser registered with the SEC. Registration of an investment adviser does not imply any level of skill or training. Additional information about the Firm is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – MATERIAL CHANGES

We are pleased to provide you with this annual update to our Brochure, which is also known as Part 2A of SEC Form ADV. It contains important information about our business practices and investment strategies, fees and expenses, potential risks as well as a description of potential conflicts of interest relating to our business.

We are providing you this Brochure in accordance with Rule 204-3 of the Investment Advisers Act of 1940, as amended ("Advisers Act"), which requires a registered investment adviser to provide a written disclosure statement before or at the time of entering into an advisory relationship with a client, and to provide an annual update. If you would like another copy of this Brochure or future updates, please contact us at by email at compliance@affiniuscapital.com; by calling us at 800-531-8182; or by visiting our website at www.affiniuscapital.com.

Since the last annual amendment filed on March 30, 2022, Affinius Advisors, its parent company and other advisory affiliates have rebranded under the name Affinius Capital. Various revisions have been made to this Brochure to harmonize the brochures of the Advisor and its advisory affiliate Affinius Capital Management LLC ("Affinius Capital Management").

In addition, we routinely make changes throughout our Brochure to improve and clarify the descriptions of our business practices and compliance policies and procedures or in response to evolving industry and Firm practices. In this year's filing the following specific Items have been updated:

- Item 4: Updated to reflect assets under management as of December 31, 2022, which also reflects the designation of certain pooled investment vehicles as private funds relying on an exemption from registration under the Investment Company Act of 1940, as amended (the "Investment Company Act") pursuant to Section 3(c)(1) or 3(c)(7), where such vehicles had previously relied on a separate exemption;
- Item 5: Updated to clarify fees and expenses;
- Item 6: Updated to include new disclosures related to our investment process;
- Item 8: Updated to reflect new disclosures related to our investment process and to include additional risk factors;
- Item 10: Updated to reflect other financial industry affiliations; and
- Item 11: Updated to reflect certain potential conflicts of interest.

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Item 4 – ADVISORY BUSINESS

Firm Description

The Advisor was formerly known as US Equity Advisors, LLC and was founded in 1989. The Advisor is a subsidiary of Affinius Capital LLC (“Affinius Capital”), an integrated institutional real estate and investment management firm based in San Antonio, Texas and New York, New York. Affinius Capital also owns other real estate related investment management subsidiaries and operating companies and has other offices across the United States (“U.S.”) as well as in Amsterdam, Netherlands, and Seoul, South Korea. Please see Item 10 – Other Financial Industry Activities and Affiliations for more information. When we use the term “we”, “us” and “our” in this Brochure, we are referring to Affinius Capital and the Advisor, as well as any entities that are directly or indirectly under our control (collectively, “Affiliates”), some of which serve as the general partner or managing member (“General Partner”) of a Client (defined below).

The Firm provides equity and debt capital solutions across property sectors and the risk spectrum. The Firm’s strategies focus on value creation and income generation through the acquisition development, improvement, strategic oversight, ownership, management, and timely exit from commercial real estate investments. Our focus is across a broad array of commercial real estate sectors, including, but not limited to, industrial/logistics, multi-family and other housing, data centers, life sciences, media content production studios, office, retail, and hotel properties. We also arrange commercial mortgage loans. See Item 8 below for a description of our investment strategies and methodology.

Our investment vehicles typically comprise open- and closed-end private funds and separate accounts that hold real estate and related assets (each an “Investment” and collectively, “Investments”) through holding vehicles or other tax efficient structures such as limited partnerships, limited liability companies, or private real estate investment trusts (“REITs”). We also advise certain Clients on Investments in investment vehicles of other real estate and financial services firms, including entities owned directly and indirectly by entities and individuals that have an ownership interest in Affinius Capital’s parent company, Affinius Holdings LLC (“Holdco”) (such entities, along with Holdco, its subsidiaries and their employees, are referred to as “Related Entities”).

The Firm serves as the investment manager of:

- Real estate-related investment funds exempt from registration under the Investment Company Act, including pooled investment funds and REITs, together with any related feeder funds and parallel funds (each a “Fund” and collectively, the “Funds”);
- Co-invest vehicles for facilitating co-investment with a Fund in an Investment (“Co-Invest Entities”);
- Separately managed account mandates (collectively, “Separate Accounts”, and individually, a “Separate Account”); and
- Special purpose entities for making Investments, including limited partnerships or similar vehicles that are comprised of one of more investors, but which are not organized as Funds (“SPV Entities”).

Funds, Co-Invest Entities, Separate Accounts, and SPV Entities are collectively the “Clients” and each individually, a “Client”. Interests in Clients are offered to limited partners or other investors (“Investors”) who must meet certain eligibility requirements. See Item 7 below for more information on the Firm’s Investors.

Firm Ownership

The Firm and its Affiliates are directly or indirectly owned by Affinius Capital and are indirect subsidiaries of Affinius Capital's parent company, Affinius Holdings LLC ("Holdco"). A majority of Holdco's interests are owned by JFLC, LLC ("JFLC"). JFLC is controlled by entities owned and controlled by James A. Davidson ("Davidson"), an active technology investor, adviser and entrepreneur; Fritz H. Wolff ("Wolff"), an active investor with more than two decades of institutional real estate investment experience; Leonard J. O'Donnell ("O'Donnell"), Affinius Capital's Chairman and Chief Executive Officer; and Craig Solomon ("Solomon"), Affinius Capital's Vice Chairman and Chief Investment Officer. Holdco is controlled by Davidson and Wolff, including through US RE Bridger Holdings, LLC ("Bridger Holdings") and O'Donnell. Davidson, Wolff, O'Donnell and Solomon are direct and indirect investors in other real estate and financial services firms, including companies that invest, co-invest or provide services to Clients (such entities, along with Holdco, Affinius Capital and its subsidiaries (including the Advisor) and their employees are referred to as "Related Entities"). See Item 10 below for more information.

United Services Automobile Association ("USAA"), a San Antonio-based Fortune 500 diversified financial services group of companies, owns a minority interest in Holdco, Affinius Capital and its subsidiaries, including the Advisor, manage USAA's portfolio of real estate investments across the U.S., Europe and Mexico. More information about the Firm's ownership structure is provided in Schedules A and B of Form ADV Part 1, which is available on the SEC's website at https://adviserinfo.sec.gov.

Assets Under Management

As of December 31, 2022, the Advisor had approximately $41.5 billion in assets under management ("AUM") on a gross basis and $25.8 billion in net AUM. Approximately $18.9 billion of net AUM is managed on a discretionary basis and $6.9 on a non-discretionary basis.

Advisory Services

The Advisor directs and manages each Client's Investments by providing the following types of services:

- Identifying and analyzing equity and debt Investment opportunities;
- Making commercial real estate equity and debt Investment recommendations and decisions;
- Negotiating the terms of Investments;
- Managing and monitoring Investments;
- Achieving dispositions of Investments;
- Providing private commercial finance services including originating real estate loans; and
- Providing other related services in connection with the implementation of the Investment program of each Client.

Our advice includes various facets of investing in the equity or debt of an Investment and recommendations as to the structure of the real estate and related asset holdings. Investment advice is provided directly to each Client and not individually to its Investors. Client Investment objectives are described in the applicable private placement memoranda, limited partnership agreements, investment advisory agreements, subscription agreements, operating agreements, shared services agreements and other governing documents of the relevant Client (collectively, along with Side Letters as defined below,

the "Governing Documents"). While some Investors in a Fund seek side letters or similar agreements that confer additional benefits ("Side Letters"), Investors generally cannot impose restrictions on a Fund investing in certain Investments. Some Separate Account Clients are managed on a non-discretionary basis where the Investor(s) determines whether to execute on our Investment recommendation.

The Advisor has entered into Side Letters with certain Investors, including those who make substantial commitments of capital or are early-stage Investors in a Client, or for other reasons in the Firm's sole discretion. Side Letters have the effect of establishing rights under, or altering or supplementing, a Client's other Governing Documents. Some examples of Side Letter rights include priority co-investment rights or targeted co-investment amounts, special economic rights such as reduced management and other fees, modified waterfall mechanics, notification provisions, regulatory considerations of specific Investors, opt out rights, supplemental reporting and information, rights to serve on a Fund's advisory committee, liquidity or transfer rights, confidentiality protections and disclosure rights, modifications of default remedies, investment pacing restrictions and "most favored nations" provisions. These Side Letter rights, benefits or privileges are not typically made available to all Investors in the same Client, nor are they, consistent with general market practice, always required to be disclosed to all Investors in such Client. Side letters are typically negotiated prior to the relevant Investor's commitment to a Client. There can be no assurance that the Side Letter rights granted to one or more Investors will not in certain cases disadvantage other Investors.

The Advisor is likely to have its own economic and/or other business incentives to provide certain terms to select Investors, e.g., based on commitment amounts to a Fund or the timing of such commitments; the ability of an Investor to provide sourcing or other services to the Advisor, its affiliates and personnel or the Funds; or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the Advisor, its affiliates and personnel, or the Funds. Further, Side Letters may also relate to strategic relationships under which an Investor agrees to make commitments to multiple Funds. Except where required by Governing Documents, other Investors will not receive copies of Side Letters or related provisions, and as a general matter, the other Investors have no recourse against a Fund, the Advisor, the relevant General Partner or any of their affiliates in the event that certain Investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject the Advisor to potential conflicts of interest, including in circumstances where an Investor's right to serve on the relevant Fund's advisory committee results in the Investor receiving additional information relative to other Investors. To the extent an Investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant Investor at the expense of the relevant Fund or of Investors as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

Item 5 – FEES AND COMPENSATION

The Advisor and its Affiliates receive fees and other compensation in exchange for the advisory services provided to Clients. These fees typically include a management fee, and performance-based compensation (often referred to as a promote, carried interest or an incentive fee) in accordance with a Client's Governing Documents. Differences in these fees exist from Client-to-Client based on a number of factors, including Investment strategy, Investment amount, type of Client, and the type of other services

provided. As more fully described below, the Firm or a Client, on occasion, has negotiated to share with or receive a percentage of certain fees with Affiliates or joint venture partners.

The following is a general description of Client fees and expenses. Investors should refer to the Governing Documents of the applicable Client for a more detailed description of the fees charged by the Advisor, Affinius Capital, Affiliates, and/or Related Entities for their advisory and other services, and for a description of other fees Clients and Investors pay. These fees and expenses are paid by the Client to the Firm by reducing distributions otherwise due to Investors, through use of a line of credit, or by calling capital from Investors.

Management Fees

The Advisor charges management fees as base compensation for providing advisory services to Clients, which in the case of Funds, is paid indirectly by Fund Investors. Management fees are determined on a Client-by-Client and Investor-by-Investor basis and are described in each Client's Governing Documents and modified in certain Investors' Side Letters. The management fee is often based on a stated percentage of capital invested in a Client by an Investor, which may be calculated with respect to net asset value, invested capital, or gross asset value, and may be charged on committed capital and/or invested capital, depending on the Client. The Advisor typically charges a reduced management fee or no management fee to the General Partners (and their direct or indirect members or affiliates) and/or certain Investors, including Investors in co-investment vehicles and Investors that commit larger amounts of capital.

Management fees are accrued and payable by a Client either quarterly in advance or quarterly in arrears, depending on the Client and as detailed in each Client's Governing Documents and modified in certain Investor's Side Letters. Management fees are prorated for any partial period. If a Client terminates its advisory agreement with us, any pre-paid management fees will be prorated for the period during which we have served as investment adviser to such Client, and a refund issued for any remaining days.

Performance-Based Fees

Performance-based fees on profits on distributions from current income and the disposition of investments are often a material component of our overall compensation – Item 6 below provides more detailed information. Our performance-based compensation arrangements are structured to comply with Rule 205-3 under the Advisers Act. Total fees paid by Clients that pay performance-based fees are higher than those fees paid by Clients that are not charged a performance-based fee. The Advisor typically receives reduced or no performance-based compensation from Related Entities and Related Parties (as defined below) and/or certain Investors.

Other Fees

In addition to the management fees and performance-based fees paid to the Advisor, Investors in a Client also typically indirectly pay a variety of other fees to third parties, the Advisor, its Affiliates and/or Related Entities as disclosed in each Client's Governing Documents. Examples of these other fees indirectly paid by Investors include, but are not limited to:

- Acquisition, Leasing, Disposition or Financing Fees: Fees related to the acquisition, leasing, sale or financing of an Investment. Such fees are often calculated as a percentage of the total value of the

transaction or the capital committed to such transaction.

- Asset Management Fees: Fees related to the monitoring of asset performance and business plan execution.

- Break-Up Fees and Expenses: Break-up, topping, or other similar fees are paid in connection with an unconsummated or terminated Investment or transaction. Co-Invest Entities generally do not bear their share of broken deal expenses for unconsummated transactions and such costs and expenses will generally be borne by the Clients.

- Capital Placement Fees: Fees for securing, sourcing, or arranging investment equity or debt capital to effectuate Investments, including loan origination or investment syndication of placement of capital in a transaction.

- Development or Construction Management Fees: Fees for overseeing all or a portion of a development or construction project. Such fees are generally based on the project's total cost.

- Guarantee Fees: Fees for providing guarantees to lenders in connection with property level construction loans and/or permanent financing.

- Loan Origination or Servicing Fees: Fees for originating or overseeing loan investments on behalf of Client lenders.

Affiliated Service Provider Fees, Reimbursements and Promotes

Some Clients retain us or one or more of our Affiliates or Related Entities to perform non-investment advisory services which might otherwise be performed by unaffiliated third parties, including sourcing, development, development management, infrastructure support, construction management, general leasing, property management and asset management of Investments and consulting and leasing services and other services ancillary to the acquisition, ownership, management, operation and disposition of real property of a Client (collectively, "Affiliate Services"). These Affiliate Services are provided as set forth in a Client's Governing Documents. While the Firm and its Affiliates and/or Related Entities believe that the Affiliate Services are provided at rates generally appropriate for the relevant services, there is an inherent conflict of interest that incentivizes the Firm to engage itself, Affiliates, and/or Related Entities over unaffiliated third parties for the performance of such Affiliate Services. Except as negotiated and described in a Client's Governing Documents, any fees for Affiliate Services and/or related reimbursements and/or promotes paid by a Client or Investment to the provider of Affiliate Services are in addition to, and will not offset, the management fee, carried interest, or other fees received by the Firm, its Affiliates or Related Entities.

Non-Affiliated Service Provider Fees, Reimbursements and Promotes

Some unaffiliated operating partners, joint venture partners and other service providers assisting with the sourcing, development, management or disposition of Investments, receive asset management fees, acquisition fees, development fees, leasing fees, property management fees, disposition fees, incentive fees including promotes, placement fees or other compensation for their services as a means to compensate them and/or further align the interests of those partners and service providers with the

relevant Clients. Those fees are in addition to the fees paid by the Client to the Firm and, as such, will not offset the management fee, carried interest or other fees received by the Firm, its Affiliates or Related Entities.

Fee Waivers

We are permitted, in our sole discretion, to reduce or waive all or a portion of our management, performance-based, and/or other fees, and have done so for certain Clients or Investors, including, but not limited to, the following:

- Situations where Clients have agreed to fee waivers with certain Investors (including employee Investors and Investors participating in early closings);
- Unrelated entities that invest through a General Partner; and
- Holdco's direct and indirect owners and their affiliates, including family members and estate planning vehicles ("Related Parties").

Such Investors generally pay their pro rata share of certain Client expenses, which in certain circumstances, are reimbursed to the General Partner.

Co-Investment Fees and Expenses

The Advisor, in its discretion, permits Investors, Affiliates, Related Parties, Related Entities, or third-party investors to co-invest ("Co-Investors") with a Client in certain investment opportunities where the Advisor believes the co-investment could offer a strategic advantage or other benefit to a Client or Investor. Co-investment opportunities are offered in accordance with a Client's relevant Governing Documents. In some instances, Co-Investors participate with a Client in an Investment on the same terms and conditions as the corresponding Client and will exit such investment on substantially the same terms and conditions and at the same time as the Client. In other instances, terms and conditions are negotiated with an Investor on a co-investment opportunity that are more favorable than the Client's Investment terms. Expenses related to Investments in which a Client invests alongside Co-Investors are generally allocated between the Client and any such Co-Investors pro rata based on amounts invested or expected to be invested as reasonably determined by the Advisor. There can be no guarantee that prospective Investors in yet to be formed Co-invest Entities will agree to bear expenses related to unconsummated investments and therefore all such expenses may be borne by the Client. See Item 8 for more information regarding conflicts of interest with regard to co-investment opportunities, including co-investment activities of the Firm, and its Affiliates, Related Entities and Related Parties (collectively, "Affiliated Entities").

Expenses

The Clients that we manage and advise, and therefore the Investors in those investment vehicles, are responsible for paying various expenses, costs and fees incurred in connection with the Client's Investment program and for property-level and entity-level expenses. Certain of these operational services are provided by us or our Related Entities, subject to a Client's Governing Documents, and others are provided by third parties. On occasion, such expenses, costs and fees are incurred by us or an underlying Investment and are then reimbursed by the Client.

Examples of costs and fees charged to Clients, and in certain cases the underlying Investment, include the following:

- Expenses, costs and fees related to the formation, organization, operation, maintenance or dissolution of a Client and its subsidiaries or parallel funds, including external and internal legal and accounting expenses (including actual compensation of in-house attorneys, accountants and tax specialists so long as such fees and compensation are at arm's length and competitive market rates), insurance, auditors, appraisals, tax, tax advisory, filing fees and expenses, printing costs, name changes, and reporting;
- Fees, costs, taxes and expenses related to identifying, investigating, purchasing, holding, monitoring, disposing of, financing, hedging, developing, negotiating and structuring potential or actual Investments whether incurred before or after the formation of a Client. This can include, but is not limited to, expenses related to attending trade association meetings, conferences or similar meetings to evaluate potential investment opportunities; travel costs incurred by us and/or any Affiliate, including private charter, first class and/or business class airfare, ground transportation or other ways of traveling; and lodging and meals including without limitation meals with deal counterparties and service providers;
- Fees, costs and expenses in connection with transactions that are not consummated, including broken deal expenses, reverse "break up", broken deal or similar fees and lost deposits. This could include allocable compensation and other direct and indirect costs of internal resources of the Advisor, General Partners, or their respective Affiliates, including but not limited to in house attorneys, accountants, tax specialists and other professionals.
- Principal, interest, expenses, costs and fees arising out of all debt transactions, including fees related to subscription line facilities, mortgage servicing, loan origination, and loan servicing;
- Expenses associated with portfolio and risk management, including currency hedging and interest rate management;
- Design fees for architectural, engineering, interior and exterior design services for development and upkeep of Investments;
- Costs of advisers, appraisers, consultants, engineers and other professionals and service providers;
- Transfer agent expenses, custodial and depository expenses, local paying agent, brokerage fees and other fees, costs and expenses incurred in connection with Investments (See Item 12 of this Brochure for a description of the Firm's brokerage practices and related costs or fees).
- Costs related to risk management services and insurance for the Firm, Affiliates and the Client entities (including a Client's real estate Investments), including directors' and officers' liability insurance, insurance to protect a Client and any indemnified parties, insurance claims, management expenses and related consulting fees, and direct and indirect costs and expenses associated with any litigation, threatened litigation or governmental or regulatory inquiry;
- Property and title insurance, the costs of surveys, permitting, title opinions and other due diligence and development costs;
- Expenses, costs and fees related to offering and sale of limited partnership units or other interests, including legal fees, travel expenses and the costs and expenses incurred in preparing periodically updating private placement memoranda or equivalent documents or in obtaining tax and legal opinions;
- Expenses of investor advisory committee meetings and attendance by their members and observers, including hotel, meal, event, entertainment and other similar fees; costs and expenses of any legal counsel or other advisors retained by or at the direction of the advisory committee; and costs and

expenses, including travel, of Advisor meetings with or reporting to Investors, advisory committees of a Client, or advisory committees of any Investor;

- Expenses of REIT board meetings and director attendance at those meetings;
- Charitable contributions made with respect to portfolio entities (subject to compliance with the Code (as defined below);
- Banking, cash management and treasury expenses and fees;
- Licensing fees for information technology software utilized in accordance with the operation and management of applicable Investments and reporting to Investors;
- Preparation and filing of regulatory reports, disclosures and notifications of the Advisor, its Affiliates and Clients to Investors and regulators including the SEC, U.S. Commodity Futures Trading Commission ("CFTC") and European Union Alternative Investment Fund Managers Directive, including costs of any third-party service providers and professionals involved in the preparation or review and any translation costs;
- Third-party legal and compliance expenses (including, without limitation, responding to formal and informal inquiries, subpoenas, investigations and other regulatory matters, and expenses associated with regulatory filings relating to the Client entities and/or a Client's Investments) and clearing and registration fees and other expenses due to regulatory, supervisory or fiscal authorities in various jurisdictions, including non-US jurisdictions;
- Preparation, distribution or filing of Client financial statements or other reports, tax returns, tax estimates, Schedule K-1s or similar forms or other communications with Investors; and
- Extraordinary expenses and non-discretionary expenses.

Current and prospective investors should carefully review the more detailed descriptions of fees and expenses paid by Clients that are included in each Client's Governing Documents.

Allocation of Fees and Expenses

In accordance with our internal expense allocation policies and each Client's Governing Documents, we determine on a case-by-case basis, in our discretion, whether an expense should be borne by a Client or multiple Clients or by Affinius Capital, the Advisor, an Affiliate, or some combination of these entities. The Advisor allocates expenses to Clients in a manner it believes is fair and equitable considering all factors that the Advisor deems relevant in its sole discretion, subject to the Governing Documents of a Client. Shared expenses will typically be allocated among the Clients obligated to bear the expenses. The allocation of such expenses will typically be done pro-rata among Clients but at times will not be proportional and any such allocations involve discretion by the Advisor.

The allocation of expenses can create potential conflicts of interest. Some expenses are incurred on behalf of one Client which have the potential to benefit other Clients. For example, information we obtain in connection with a Client's research, due diligence and Investment activities could be valuable to other Clients. Additionally, tools and resources developed at our expense are the intellectual property of Affinius Capital and/or the Advisor and not the Clients.

Item 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Performance-Based Fees

Performance-based fees are designed to compensate us for managing certain Clients or Investments that meet or exceed agreed-upon performance levels or targets. These types of structures attempt to align the Firm's compensation with the investment objectives and interests of our Clients and Investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals. Consistent with the relevant Governing Documents, performance-based fees can be based on the performance of individual Investments, groups of Investments or the entire portfolio held by a given Client. A Client's performance-based fees (if such exist) are described in the Client's Governing Documents and are generally based on profits on distributions derived from current income and/or the disposition of Investments. These can be characterized as incentive fees, incentive compensation, carried interest, promote or other similar designations. The calculation is frequently performed according to a total return formula such as internal rate of return ("IRR") in relation to a stated return objective, whether that be a target fixed return, a stated benchmark's return, or other such hurdle.

The Firm or its Affiliates are permitted to waive, in their sole discretion, receipt of performance fees, or reduce the amount of performance fees that, once earned, are paid. Specifically, Related Parties and Related Entities who invest in a Client will generally pay reduced performance-based fees or none at all. Similarly, some Co-Investors pay a lower performance-based fee, or none at all.

Side-by-Side Management

Side-by-side management refers to the simultaneous management of multiple Clients with similar or overlapping investment strategies, some of which have differing fee structures. In theory, this has the potential to result in a conflict of interest because we have an incentive to favor the Client with a higher fee or a performance fee, including an incentive for favorable Investments to be allocated to a Client with higher fees. The Firm has the following protections in place to help mitigate the potential for conflicts caused by side-by-side management and performance or incentive-based fee structures:

- A multi-disciplined Investment team with separate reporting lines, including senior management, participates in the initial screening of potential Investments to assess their appropriateness for each Client, taking into consideration such factors as portfolio objectives and property type, risk profile, investment structure, capital availability, geographic location, and execution timing constraints. This disciplined process provides effective checks and balances for mitigating the potential for conflicts to be mismanaged by any one individual;
- The capital commitment that the Advisor and/or its Affiliates make to a Client help mitigate any incentive to invest Client capital more speculatively than it otherwise would in an effort to generate outsized returns;
- A proposed Investment recommendation that could be appropriate for Clients with any investment objectives or guidelines in common in any respect and are otherwise required to be presented to a particular Client will be allocated among the various Clients in accordance with the Clients' Governing Documents and on a basis that the Firm believes in good faith to be fair and reasonable. In determining a fair and reasonable allocation between various Clients, the Firm will apply its allocation practices and procedures. It is possible that this will result in a disproportionate or non-pro-rata

allocation of an Investment among Clients, and the allocation of an entire Investment to a particular Client;

- The Firm's Investment recommendations are created, reviewed and approved in accordance with the investment guidelines as defined in each Client's Governing Documents. These recommendations do, where applicable, take into consideration possible conflicts including whether other Clients have assets within the sub-market and are directly competitive to the Investment being recommended; and
- All Investment recommendations are reviewed and require approval by the Firm's relevant Investment Committee, (each an "Investment Committee" and collectively, the "Investment Committees"), each of which consists of the Firm's senior officers that are responsible for oversight of Client Investments.

Item 7 – TYPES OF CLIENTS

We provide investment advice to our Clients, which are the Funds, Separate Accounts, Co-Invest Entities, and Client SPV Entities described in Item 4 above. Client Investors can be expected to consist of one or more of the following:

- Public and private retirement and pension plans;
- Insurance companies;
- State and municipal government agencies;
- Sovereign wealth funds;
- Private investment funds;
- Public and private profit-sharing plans;
- Banks and other financial institutions;
- Charitable organizations and foundations, including endowment funds;
- Investment companies;
- Trusts and estates;
- Corporations;
- Family offices;
- Certain high net worth individuals;
- Related Parties, Related Entities and employees; and
- Business entities other than those listed above.

The Clients are not registered or required to be registered under the Investment Company Act in the case of Clients that are pooled funds and interests in the Clients are privately placed to the following types of qualified Investors:

- U.S. investors who are accredited investors within the meaning of Regulation D of the Securities Act of 1933, as amended and qualified purchasers within the meaning of Section 2(a)(51) of the Investment Company Act; and
- Non-U.S. investors that meet comparable qualifications.

Each Client requires minimum capital commitments from an Investor, which are detailed in the relevant Client's Governing Documents. The Advisor has accepted and may continue to accept minimum subscriptions and commitment amounts of less than the stated minimum amount in its discretion.

Item 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISKS OF INVESTING

Methods of Analysis and Investment Strategies

The Firm provides commercial real estate advisory services focused on equity and debt investments, investing across the risk spectrum and capital structure and in various ventures and properties located in the U.S., and to a lesser extent, in non-U.S. markets. The Firm focuses on and seeks risk-adjusted returns and our investment approach includes:

- Developing and acquiring quality Investments with strong elements of design, size, access and marketability;
- Thoughtfully selecting Investments in targeted locations;
- Maintaining discipline around replacement cost; and
- Actively managing each Investment with a view toward an ultimate exit strategy.

Investment Property Types

We invest in and lend on industrial/logistics, multi-family and other housing, media content production studios, data centers, life science, office, retail, hotel properties, mixed-use properties, land and land development, and other real estate or infrastructure assets.

Industrial/Logistics. Our industrial/logistics strategy is based on developing, acquiring and/or financing warehouse properties in major distribution markets and in the logistics path of major population centers with strong long-term demand prospects. We focus primarily on build-to-suit or build-to-core developments as well as acquisitions to achieve stabilized, substantially-leased properties. We also pursue Investments in assets with current vacancies or opportunities with near-term lease rollovers at below-market rents, which can be purchased at below replacement cost. A significant segment of our activity is driven by the rapidly growing demand for warehouse and distribution space from e-commerce firms and their supply chain partners and suppliers.

Multi-Family and Other Housing. Our multi-family and other housing strategy is to develop, acquire or lend on well-built, well-located assets in markets with good long-term economic and demographic fundamentals. Our Investments include all classes of multifamily rental housing, institutional-quality housing land development, senior or age-restricted housing, student housing, or other product types within the housing umbrella, and span the demand base from Class A, workforce and affordable housing. Certain housing Investments include ground-up development, land development or substantial renovation (e.g. re-positioning or redeveloping an Investment, such as renovating existing apartment projects or converting a commercial property to apartments). Our acquisition strategy in the sector focuses on acquiring Investments below replacement cost that offer a chance to add value through renovation and enhanced property management.

Media Content Production Studios. Our media content production studio strategy meets today's intersection of real estate and technology with the rapid increase in demand for and production of movie, television and streaming content. It includes the acquisition, improvement and development of state-of-the art studio production, support and office space.

Data Centers. Our data center strategy is to develop and possibly acquire data center real estate to serve the extensive demand for state-of-the-art data storage and access in support of today's digital economy. Whether hyperscale (i.e. large, single tenant), co-location or wholesale data facilities (i.e. multi-tenant), data centers require significant power, cooling, data connectivity, reliability and security. Our existing and prospective Investments are focused on land development, vertical development, powered shell and/or complete delivery of data center solutions for technology and other companies.

Life Sciences. Our life sciences strategy focuses on developing and possibly acquiring life science real estate to serve the robust and growing demand for such space in the U.S.'s leading markets for medical, biological, pharmaceutical and other associated research and development.

Office. Our office strategy focuses on developing, acquiring and/or financing office buildings or campuses that offer opportunities to create durable cash flows and value, while targeting markets with strong job growth in key sectors of the economy, such as technology, health sciences, finance and media. We primarily seek properties in central business districts, or similarly appealing suburban locations with a place-making element and strong job growth prospects. Often, we invest to significantly improve existing office assets to meet today's requirement for modern, efficient and upscale office projects with amenities appropriate to attract high quality tenants. One specific component of our office strategy is to invest in properties leased to agencies of the U.S. federal government, through development and acquisition activities.

Retail. Our retail strategy focuses on owning, developing, redeveloping and/or financing shopping centers or retail components of mixed-use properties across a variety of submarkets, demographics and retail formats. The strategy includes investment opportunities in grocery anchored retail centers, large outdoor shopping centers with an emphasis on big-box stores, urban retail, urban retail mixed-use, single-tenant net-leased retail and certain regional malls.

Hotel. Our hotel strategy, while presently a small portion of our portfolio and strategic focus, seeks to finance, develop and/or acquire high quality hotel properties in the limited service, full service and resort categories.

Mixed-Use Properties. Our mixed-use real estate strategy focuses on owning, developing, redeveloping and/or financing properties which include multiple real estate uses in the same project, to attract users and customers to a vibrant district, thereby attempting to develop or operate real estate that is attractive to urban planning objectives and/or create additional or enduring value.

Land and Land Development. Our land and land development strategy typically focuses on acquiring land to put into use within one of the aforementioned property sectors through entitlement, rezoning and/or development. This strategy will occasionally entail holding land for extended time periods or buying real estate with a current use which will be modified in the future to create additional value.

Infrastructure. Our infrastructure strategy is focused primarily on investing in digital infrastructure. Digital infrastructure includes those assets required to support critical digital communication devices, systems and processes that power the modern economy such as data centers, cold storage facilities, wireless communication towers, fiber optic networks, renewable energy, and distributed power generation. Over time, we may also pursue opportunities in more traditional, critical need

infrastructure including power, water and wastewater, transportation and other public-oriented infrastructure.

Investment Research and Analysis

As part of our active management process, we utilize our proprietary research and investment approach to enable us to identify opportunity and value across property types, markets, and individual properties. Our investment analysis typically includes input as needed from our Research, Investments, Development, Portfolio Management, and Asset Management teams which informs our Firm's overall investing outlook. The Investments, Development, Asset Management and Research teams work closely with the Portfolio Management team in an ongoing and cooperative fashion, honing portfolio strategy, investment underwriting, sector and market targets, perspectives on the economic and real estate cycles, business plans and execution strategies, hold/sell analysis and market analysis in support of each Client's Investment program.

As necessary from time to time, in support of the investment process, the Research team provides industry insights and evaluates global macroeconomic, microeconomic, real estate trends and capital market conditions. This research can include monitoring demographic patterns, consumer and corporate behavior, real estate space fundamentals, general liquidity and pricing momentum, interest rate and currency movements, projected economic growth and other factors and trends.

The Investments and Development teams are responsible for, among other things, evaluating markets, submarkets, market participants, and investment or disposition opportunities by Clients. The Investments or Development team prepares investment opportunities and recommendations for evaluation with the Portfolio Management team. The Portfolio Management team, after considering portfolio strategy, diversification, available capital, leverage strategy and all other factors relevant to each Client, opt whether to pursue certain Investment opportunities.

In certain circumstances we use back-tested, proprietary artificial intelligence models that use machine learning and predictive analytics to examine historical datasets and information. These tools are intended to provide visibility into economic and business cycles while enhancing understanding of relative investment risk across US metropolitan statistical areas and assist in the investment qualifying process. These tools also help us incorporate downside protections measures at the asset level in connection with underwriting, due diligence and property operations.

Briefs on a potential Investment or loan are submitted to the Firm's relevant Investment Committee for review and consideration. A brief includes an analysis of the compelling reasons for the proposed Investment or loan; a description of the risks and mitigating factors; underwriting analysis and valuation; submarket fundamentals; borrower or sponsor overview; key investment characteristics; and project execution, status and timing. The relevant Investment Committee must formally approve all new equity and debt investments and dispositions.

Commercial Mortgage Lending

Our Commercial Mortgage Lending ("CML") program invests on behalf of institutions in fixed-rate non-recourse, senior mortgage loans and manages these loans. Certain Clients co-invest in loans through participation arrangements. The CML program focuses its investment strategy on stabilized asset level

financing in major property types across primary and secondary markets in the U.S. Loans generally have terms of 5 to 30 years with loan to value targets of 65% or less. The loans are rated using our proprietary rating model at origination and updated through an annual review process. The interest rate charged to the borrower is directly related to risk factors, including loan-to-value, location, property quality, and experience level of the borrower.

For each loan older than 12 months, an annual valuation is completed. We calculate the loan-to-value, debt yield, debt service coverage ratio and internal risk rating to determine if any loans require more frequent performance monitoring. In addition, on a quarterly basis for loans older than 12 months, market values are updated using market interest rates that are influenced by certain metrics (i.e., loan-to-value, debt service coverage, occupancy, etc.) determined from the annual valuation process. The market value estimate allows the Firm to estimate if loans would trade at a premium, discount or par. The market value and annual review processes also allows the Firm to recommend if loan loss or impairment reserves should be applied to any loans.

Derivative Investments

Derivatives can be used to hedge certain interest rate or currency exposures and are not used for speculative purposes. The Firm uses third-party consultants to consult on hedging strategies, coordinate execution of its hedging positions, and to assist in the coordination of pre- and post-trade documentation. Other consulting services include, but are not limited to, reviewing term sheets for prospective investments and loans, and providing advice on interest rate, pricing, hedging and guaranty related language. Please refer to Item 12 for a description of the Firm's brokerage practices.

Investment Risk Spectrum

We manage Investment risk as appropriate for each Client, at both the portfolio and Investment levels, including through the use of diversification, limits on leverage, and the amount of co-investment. Investing in real estate and other real estate-related interests and originating real estate debt involves various degrees of risk and potential loss. This section describes some of the primary risks of investing in commercial real estate or of engaging us to manage or advise on those Investments. Each Client's Governing Documents includes a more detailed discussion of the specific risks associated with investing in that particular Client.

We seek to mitigate risk and manage each Client so that the risks are appropriate to the Client's strategy; however, it is impossible and not desirable to fully mitigate all risks. The particular risks applicable to a Client or Investment will depend on the nature of the portfolio, its investment strategy and the types of Investments held, as well as macro and microeconomic conditions. In light of the current uncertainty and volatility in the financial, social and health conditions in the U.S., Europe and the rest of the world, certain risks are heightened compared to a more normal environment.

General Risk of Real Estate Investments

Equity investments in real estate are subject to the risks generally incidental to ownership and operation of income-producing real estate. Real estate values are affected positively or negatively by a number of factors, including:

- Liquidity level of Investments;
- The availability of cash from operations sufficient to meet fixed obligations;
- Changes in economic conditions affecting real estate ownership directly or affecting the demand for real estate;
- Changes in the global macro-economic climate;
- Financial condition of tenants;
- Local market conditions (such as an oversupply of space or a reduction in demand for space);
- Competition based on rental rates;
- The perceived attractiveness of the properties and their location;
- The need for unanticipated expenditures in connection with environmental matters;
- Changes in real estate tax rates and other operating expenses;
- Adverse changes in laws, governmental rules (including those governing usage, improvements, zoning and taxes) and fiscal policies;
- Acts of nature, including earthquakes, fires, climate risks of cyclones, storm surge/sea-level rise, floods, wildfires, heat stress and water stress (which can result in uninsured losses and can negatively impact investor interest, occupier demand, operating expenses and capital expenditures);
- Man-made exposures such as wars, riots, or acts of terrorism;
- Environmental and waste hazards;
- Energy and supply shortages;
- Uninsured losses or delays from casualties or condemnation;
- Structural or property level latent defects;
- Changes in the broader perception of commercial properties as an investment class;
- Quality of maintenance, insurance and management services; changes in interest rate levels and the availability of mortgage funds which has the potential to render the sale or refinancing of properties difficult or impracticable; and
- Other factors that are beyond the Firm’s control.

Debt investments share these risks indirectly as such risks have the potential to affect the value of underlying collateral. However, many debt investments are, to certain degrees, isolated from such risks given their senior positions in the capitalization of such collateral relative to the equity ownership position.

Competitive Markets

Competition for real estate investment opportunities can be high, and such competition can limit the ability to acquire desirable target assets, affect the underwriting or pricing of assets, or adversely impact Investment returns. Some of these competitors for real estate investment opportunities could have different investment objectives than our Clients, enabling them to accept more risk, pay higher prices or invest on inferior terms or accept lower returns than we deem reasonable or appropriate for a Client. To the extent applicable, participation in auction transactions will also increase the pressure on the price of a transaction. There can be no assurance that real estate investments of the type in which we seek to invest will continue to be available, that available investments will meet our investment criteria or that we will be able to fully invest a Client’s committed capital.

Failure to Meet Targeted Returns

Investments are made based on the Firm's estimates or projections of internal rates of return, cash on cash returns and other similar metrics, which in turn will be based upon various factors, including projections of future growth rates and interest rates of applicable markets, development and redevelopment and/or operating costs, rental and lease-up rates of commercial properties and disposition timing and proceeds, all of which are inherently uncertain. The actual performance of the Investments has the potential to differ from the projections of the Firm and can differ materially. Clients have no assurance that the Investments made by the Firm will achieve targeted total returns on Investments.

Illiquidity

Equity and debt real estate assets are relatively illiquid. The ability to dispose of real estate assets in a timely or favorable manner is subject to many factors beyond our control, including, but not limited to, general economic conditions, supply and demand, the availability of capital (whether from lenders or investors), market disruptions, and interest rates.

Inflation

Inflation may affect a Client's performance in a number of ways. Inflationary expectations or periods of rising inflation could also be accompanied by rising prices of commodities that are critical to the construction and/or operation of real estate facilities. The market value of a Client's properties may decline in value in times of higher inflation rates. Some of the Client investments may have income linked to inflation, whether by regulation or contractual arrangement or other means. However, as inflation may affect both income and expenses, any increase in income may not be sufficient to cover increases in expenses.

Moreover, as inflation increases, the real value of the interests in a Client and distributions therefrom can decline. If the Client is unable to increase the revenue and profits of its investments at times of higher inflation, it may be unable to pay out higher distributions to compensate for the decrease in value of the money, thereby affecting the expected return of investors. The Client could also be adversely affected if the market value of its investments decline during times of higher inflation.

Valuation

Valuation of real estate and real estate debt is subject to numerous assumptions and is not a precise measure of realizable value. The value of an Investment as of a particular date can be materially greater than or less than the value if an Investment were to be liquidated as of such date. Volatile market conditions or illiquidity of real estate investments could result in liquidation values that are materially less than the values of such assets as reflected in a portfolio. Investment valuations affect the management fees payable to the Advisor and there could be circumstances where the Advisor is incentivized to determine valuations that are higher than the actual fair value of investments.

Concentration Risk

A real estate investment portfolio that is concentrated in a particular country, region, market, industry sector or asset class could be more susceptible to loss due to adverse occurrences the relevant country, region, market, sector or asset class than a more diversified real estate investment portfolio.

Financial Institution Risk; Distress Events

An investment in a Client is subject to the risk that one of the Client's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Client's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, the Advisor, its Clients and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks, or the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

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

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

Leverage

In most circumstances, our Investments employ leverage to reduce the equity investment requirement and seek to enhance returns and diversification. While the use of leverage can enhance returns and increase the number of Investments that can be made, leverage increases the exposure of an Investment to adverse economic factors such as rising interest rates and downturns in the economy or in the Investment itself. As an Investment incurs indebtedness, it will become subject to the risks associated with debt financing, including the risks that available funds will be insufficient to meet required payments, that existing indebtedness will not be able to be refinanced or that the terms of that refinancing will not be as favorable as the terms of existing indebtedness. Debt financing can restrict the amount of funds available for distribution to clients. In addition, there is a risk of loss of principal to the extent of any deficiency between the underwritten value of the collateral and the principal and accrued interest of the mortgage or other loan.

Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by a Fund generally also will result in fees, interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. While Fund-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding. A Fund generally is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other Funds and entities managed by the Advisor or any of its affiliates, including through Fund subsidiaries and other intermediate entities, and may have a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

Subscription Lines

A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's Investments). Fund-level borrowing subjects Investors to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the Investors, Investors may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any Investor claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in additional expenses that will be borne by Investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a

subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's Investors and the terms of the Governing Documents, it may be higher than the interest rate an Investor could obtain individually. To the extent a particular Investor's cost of capital is lower than the relevant Fund's cost of borrowing, Fund-level borrowing can negatively impact an Investor's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for Investors to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's management fee calculation, such as during periods where management fees are based in whole or in part on an acquisition cost that includes a borrowing component. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's management fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the Investors or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant General Partner's ability to consent to the transfer of an Investor's interest in a Fund or impose concentration or other limits on the Fund's investments, and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from Investors to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more Investors. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio investment or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio investment or Fund subsidiary.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for Investors that would not arise had the relevant General Partner called smaller

amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for an Investor with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the Investor to meet the accumulated, larger capital calls at the same time. A General Partner is authorized to use Fund-level borrowing to pay management fees and to reimburse Advisor for expenses incurred on behalf of the relevant Fund. A Fund is also permitted to utilize Fund-level borrowing when a General Partner expects to repay the amount outstanding through means other than Investor capital, including as a bridge for equity or debt capital with respect to an investment. If a Fund ultimately is unable to repay the borrowings through those other means, Investors would end up with increased exposure to the underlying investment, which could result in greater losses.

If an Investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, the absence of invested capital funded by Investors potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to Investors and increase the potential carried interest for the relevant General Partner, as reduced by the interest incurred by the relevant Fund. Subject to any limitations in the Governing Documents, this scenario potentially incentivizes the relevant General Partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

Cross-Guarantees and Cross-Collateralization

In certain circumstances a Client and/or its Investments may enter into cross-collateralization arrangements with other Clients and/or investment vehicles, accounts or clients managed by, sponsored by, or affiliated with, the Affiliated Entities, including co-investors. These cross-collateralization arrangements are used particularly in circumstances where better financing terms are available through such a structure. It is often better (or commercially required) for a counterparty to view the various entities as one single "Affinius Capital Management" or "Affinius Capital" party. While cross-collateralization of investments may enable a Client to obtain more favorable terms for certain indebtedness, any cross-collateralization with other Clients and/or such other vehicles, accounts and/or Clients could result in a Client losing its interests in otherwise performing investments due to poorly performing or non-performing investments of other Clients and/or such other vehicles, accounts and/or Clients (including co-investors) and a Client's obligations under such cross-collateralization arrangements could be expected to apply to investments in which that Client has not participated. Investors may also be required to fund capital contributions to cover a Client's obligations under such a default.

Bad Boy Guarantees

Commercial real estate financings are generally structured as non-recourse to the borrower, which limits a lender's recourse to the property pledged as collateral for the loan, and not the other assets of the borrower or to any parent of borrower, in the event of a loan default. However, lenders

customarily will require that a creditworthy parent entity enter into so-called “recourse carveout” guarantees to protect the lender against certain bad-faith or other intentional acts of the borrower in violation of the loan documents. A “bad boy” guarantee typically provides that the lender can recover losses from the guarantors for certain bad acts, such as fraud or intentional misrepresentation, intentional waste, willful misconduct, criminal acts, misappropriation of funds, voluntary incurrence of prohibited debt and environmental losses sustained by lender. In addition, “bad boy” guarantees typically provide that the loan will be a full personal recourse obligation of the guarantor, for certain actions, such as prohibited transfers of the collateral or changes of control and voluntary bankruptcy of the borrower. It is expected that the financing arrangements with respect to Client Investments generally will require “bad boy” guarantees from the respective Client and in the event that such a guarantee is called, the respective Client’s assets could be adversely affected. Moreover, the Client’s “bad boy” guarantees could apply to actions of the joint venture partners associated with the respective Client’s Investments. While the General Partners expect to negotiate indemnities from such joint venture partners to protect against such risks, there remains the possibility that the acts of such joint venture partner could result in liability to a Client under such guarantees.

REITs

Entities that we elect to establish as a REIT do not pay federal income taxes if they meet the requirements to qualify as a REIT. REITs are permitted or required to be part of the structure of certain Clients, which subjects those Clients to REIT-related risks. REITs depend generally on their ability to generate cash flow to make distributions to shareholders. If any REIT were to fail to qualify as a REIT in any taxable year, it would have adverse tax consequences, creating a risk that an Investment in that REIT could perform negatively. In addition, the performance of a REIT could be affected by changes in the tax laws or by its failure to qualify for tax-free pass-through of income.

Uninsured Loss

Certain types and magnitudes of potential losses for our real estate Investments are not insured because it is not economically feasible to insure against such losses or are subject to certain insurance limitations, including large deductibles or co-payments. Should an uninsured loss or a loss in excess of limits occur, the Client could lose its capital invested in such Investments as well as future revenue, while remaining liable for any debt or other financial obligations related to such Investments. For debt investments, if the property owner suffers an uninsured loss, the property could be impaired and the lender’s secured position can also be impaired.

Expedited Transactions

Investment analyses and decisions by the Firm are frequently required to be undertaken on an expedited basis to take advantage of time sensitive investment opportunities. In such cases, the information available to the Firm at the time of making an investment decision could be limited and no assurance can be given that the Firm will have knowledge of all circumstances that could adversely affect an investment. In addition, the Firm often relies on independent consultants in connection with their evaluation of proposed investments. No assurance can be given as to the accuracy or completeness of the information provided by such independent consultants and the Clients could incur liability as a result of such consultants’ actions.

Foreign Investments

With any Investment outside the U.S., there exist certain economic, political and social risks that might not be found in a similar investment in the U.S. Investments are generally denominated in the currency of the jurisdiction where the Investments are located and thus are subject to fluctuation in currency exchange which can affect the value of the assets. To mitigate such risks, Clients can obtain financing in the relevant foreign currency and may enter into hedging transactions. While such hedging transactions can reduce such risks, they may result in poorer overall performance for a Client than if it had not entered such hedging transactions.

In addition, laws, regulations and conditions in foreign countries may impose restrictions or risks that would not exist in the U.S. and may require financing and structuring alternatives which differ from those customarily used in the U.S. Foreign countries may also impose taxes on the funds and their investors which differ from those imposed in the U.S.

Brexit

As of January 1, 2021, under the United Kingdom's ("UK") exit ("Brexit") from the European Union ("EU") the UK became a "Third Country" with respect to EU financial services regulation and, as such, UK firms are no-longer able to utilize the passporting regime that allows European Economic Area ("EEA") regulated entities to operate on a cross-border basis in other EEA countries without the need for a separate license or authorization. Our ability to market and provide investment services in the EU could be adversely affected by Brexit.

Brexit – Market Volatility

The UK's exit from the EU may lead to increased uncertainty and volatility in the UK, EU and other financial markets, fluctuations in asset values or exchange rates, decreased liquidity of investments located, traded or listed within the UK, the EU or elsewhere, changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price and terms on which they are prepared to do so; and changes in legal, regulatory or tax regimes to which our Clients or their Investments are or become subject.

Russia-Ukraine Conflict

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

The Russia-Ukraine conflict could have a significant adverse impact and result in significant losses to Clients. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Client to source, diligence, and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional

disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which a Client intends to pursue, all of which could adversely affect a Client's ability to fulfill its investment objectives.

Environmental, Social and Governance Risks ("ESG")

While Clients do not pursue an ESG-based investment strategy, the Firm may consider sustainability factors when making an investment decision and follow certain standards of responsible investing in managing certain Clients, provided they are consistent with the Clients interests and investment objectives. Such standards may encourage or require us to follow certain ESG or similar practices where appropriate, including in investing and managing Investments. Applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by the Firm, or any judgment exercised by the Firm, will reflect the beliefs or values of any particular Investor. There are also significant differences in interpretations of what ESG characteristics mean by region industry and topic, as well as interpretations of their scope and materiality. The Firm's interpretations and decisions are expected to differ from others' views and could also evolve over time.

Sustainability Risk

Sustainability risk means an ESG event or condition, that, if it occurs, could potentially or actually cause a material negative impact on the value of an Investment. Sustainability risk can either represent a risk on its own or have an impact on other risks and contribute significantly to such risk, including market, liquidity or operational risks.

With regards to an environmental event or condition, real estate could be severely damaged or destroyed by physical climate risks, including climate change that could materialize as either singular extreme weather events (for example floods, storms and wildfires) or through long-term impacts of climatic conditions (such asprecipitation frequency, weather instability and rise of sea levels).

Furthermore, transition risks can affect real estate assets through the adjustment to a low carbon economy. For example, political decisions could increase energy prices or lead to higher Investment costs due to necessary refurbishments of real estate to meet enhanced energy efficiency requirements (caused by local, national, regional or global legislation). Transition risks could also lead to a reduction in demand for energy inefficient real estate. The market value of real estate may also be negatively affected by sustainability risks, for example through adverse changes in revenues, higher costs or impaired valuations and sales prices.

Environmental Risks

An Investment could be exposed to substantial risk of loss from undisclosed or unknown environmental, health, or occupational safety matters, or inadequate reserves or insurance for such matters. Under various U.S. federal, state, local and non-U.S. laws, ordinances and regulations, an owner of real property could be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws could impose joint and several liability, which can result in a party being obligated to pay for greater than its share, or even all, of the liability involved.

Such liability could also be imposed without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. Environmental claims with respect to a specific Investment could exceed the value of the Investment, and under certain circumstances, subject the other assets of the Client to such liabilities. In addition, some environmental laws create a lien on contaminated property in favor of governments or government agencies for costs they could incur in connection with the contamination.

The cost of investigation, remediation, management or removal of hazardous or toxic substances is potentially substantial and could adversely affect the ability to sell or lease an Investment or obtain financing The presence of such substances, or the failure to properly remediate contamination from such substances, could adversely affect the owner's ability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on a Client's return from such Investment.

The ongoing presence of environmental contamination, pollutants or other hazardous materials on a property (whether known at the time of acquisition or not) could also result in personal injury (and associated liability) to persons on the property and persons removing such materials, future or continuing property damage (which could adversely affect property value) or claims by third parties, including as a result of exposure to such materials through the spread of contaminants.

In addition, certain Client's operating costs and performance could be adversely affected by compliance obligations under environmental protection statutes, rules and regulations relating to investments of such Clients, including additional compliance obligations arising from any change to such statutes, rules and regulations. Statutes, rules and regulations could also restrict development of, and the use of, property. Certain clean-up actions brought by federal, state, county and local agencies and private parties could also impose obligations and result in additional costs to the Client.

Harmful Mold and Other Air Quality Issues

Under various laws, ordinances and regulations of the jurisdictions in which the Firm operates, an owner of real property may be liable for the costs of removal or remediation of certain harmful mold in such property. Such laws may hold the owner liable regardless of whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefore as to any property are generally not limited under such laws and could exceed the value of the property. The Firm performs extensive physical testing to detect harmful mold surface exposure. However, when excessive moisture accumulates in buildings or on building materials, mold may grow, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to radon, airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of the properties could require undertaking a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. In addition, the presence of significant mold or other airborne contaminants could expose a Client to liability from tenants, employees of tenants and others if property damage or health concerns arise.

Commercial Mortgage Loans

The risk of loss on an investment in a commercial mortgage loan will be largely dictated by whether the borrower is delinquent in its payment obligations or otherwise defaults on the loan and the severity of losses incurred as a result of the same. Factors influencing defaults and the resulting severity of losses include a broad range of factors, including (i) economic and real estate market conditions and their corresponding effects on property values, (ii) the terms and structure of the loan itself, and (iii) the lender's ability to realize upon the real property collateral securing the loan. The performance of any given commercial mortgage loan will be materially affected by the ability of the underlying property to attract and retain tenants and the ability of tenants to make their lease payments. The failure to properly underwrite the value of the underlying real property when making loans will impact the likelihood of a loan default and loss on investment.

Commercial mortgage loans are generally not fully amortizing and therefore may have a significant principal balance or "balloon" payment due on maturity. Such loans involve a greater risk to a lender than fully amortizing loans because the ability of a borrower to make a balloon payment typically will depend upon its ability either to fully refinance the loan or to sell the property securing the loan at a price sufficient to permit the borrower to make the balloon payment. The ability of a borrower to effect a refinancing or sale will be affected by a number of factors, including the value of the property, the level of available mortgage rates at the time of sale or refinancing, the borrower's equity in the property,the financial condition and operating history of the property and the borrower, tax laws, prevailing economic conditions and the availability of credit for loans secured by the specific type of property.

Commercial mortgage loans generally are non-recourse to borrowers. In the event of foreclosure on a commercial mortgage loan, the value of the collateral securing the loan at the time of foreclosure may be less than the principal amount outstanding on the loan and the accrued but unpaid interest thereon. Although recourse is typically allowed against a borrower affiliate guarantor with respect to certain actual losses and, in some cases, the entirety of the outstanding obligations to the lender, the terms and scope of such recourse guaranties are subject to substantial commercial negotiation and can be practically difficult to enforce in a court of law.

Although a lender will have certain remedies upon a borrower default, including foreclosing on the underlying property in the case of a commercial mortgage loan or an agricultural loan, certain contractual requirements, legal requirements and borrower defenses can limit the ability of the lender to effectively exercise such remedies. The laws with respect to the rights of debtors and creditors in certain jurisdictions in which a debt fund invests may not be comprehensive or well-developed, and the procedures for the judicial or non-judicial enforcement of such rights may be of limited effectiveness resulting in the potential for losses on defaulted loans. If the lender acquires title to an asset through foreclosure, it may be subject to the burdens of ownership of real property, which include paying expenses and taxes, maintaining the asset, and ultimately disposing of the asset. No assurance can be given that there will be a ready market for the sale of any real property acquired by a lender pursuant to a foreclosure or, if the property can be sold, that any such sale will be made at a price sufficient to cover all of the borrower's obligations to the lender under the defaulted loan.

Interest Rates

To the extent that floating-rate financing is employed in debt financing, changes in interest rates, particularly short-term interest rates, may immediately and significantly decrease the results of property operations and cash flows and the market value of relevant Investments. If fixed-rate financing is employed and interest rates subsequently decline, this can result in the borrower paying interest rates at above-market rates for significant period of time. On occasion we enter into interest rate swap or cap agreements for the purpose of hedging interest rate risk or pursue other hedging strategies. It is possible these activities will not fully protect the borrower from the impact of interest rate risk and hedging involve costs that can adversely impact investment performance.

Systemic Risk

Credit risk could arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs. A default by one institution could cause a series of defaults by the other institutions. This is sometimes referred to as a “systemic risk” and could adversely affect financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which certain Clients interact. A systemic failure could have material adverse consequences for Clients and on the markets, including the real estate market.

LIBOR Risk

LIBOR risk is the risk that artificially low submissions to the London Interbank Offered Rate (“LIBOR”) rate setting process during the global financial crisis could adversely affect the interest rates on securities and loans whose payments were determined by reference to LIBOR. In March 2021, the ICE Benchmark Association Limited, the authorized administrator of regulated benchmarks, announced its intention to cease the publication of all non-USD LIBOR tenors after December 31, 2021, and all USD LIBOR tenors (other than one week and one month) after June 30, 2023. Subsequent announcements have stated that certain reference rates would continue beyond these dates. Once LIBOR ceases to be published, financial instruments that previously referenced LIBOR are expected to transition to an alternative reference rate (e.g. the Standard Overnight Financing Rate (SOFR), however there are no widely accepted conventions developed so far thus it is uncertain what effect broadly divergent interest rate calculation methodologies and differing times of adopting new benchmarks will have on the price and liquidity of debt obligations. It is possible that accounts that procure or issue debt financing that use LIBOR to determine interest rate obligations will be adversely affected as a result of the transition. In addition, there can be no assurance that a replacement index will allow a lender to generate returns acceptable to investors or allow an obligor under a loan to continue to satisfy its payment obligations.

Reliance on Key Employees

The Firm and its Clients depend in large part on the skill and expertise of the Firm’s key officers and real estate professionals. The death, disability or departure of a key person has the potential to adversely affect the performance of our Investments.

Reliance on Operating Partners and Other Third Parties

Some Investments are made through joint venture partnerships, Co-Invest Entities, SPV Entities or other co-investment arrangements formed for the purpose of investing in real estate. Such Investments can have shared or limited control, and the Investment performance in such vehicles can be highly dependent on the credit, acumen and behavior of the relevant operating partners or other entities or individuals that they retain, such as a property managers, leasing personnel, construction managers, or general contractors.

The Firm often works with operating partners with whom it has a long-standing relationship. However, reliance on third parties to manage or operate investments still presents risks, including the possibility that:

- The third party will have economic or other business interests or goals which are inconsistent with those of our Clients;
- The Client will have limited rights with respect to the development or operation of the Investment;
- The Firm, on behalf of its Clients, and the operating partner will reach an impasse on a major decision that requires the approval of both parties;
- The operating partner will encounter liquidity or insolvency issues or may become bankrupt; or
- The operating partner will take actions that subject the Investment to liabilities in excess of, or other than, those contemplated.

Reliance on operating partners or joint venture partners can also make it more difficult for a Client to sell its interest in the Investment. Some operating partners have joint approval rights with respect to major decisions concerning the management and disposition of the Investment, which would increase the risk of deadlocks. As a result of these risks, it is possible the Client will be unable to fully realize its expected return on any such Investment.

If the applicable venture or management arrangements are terminated for any reason, or if key personnel leave or otherwise become unavailable, it may be difficult to find a suitable replacement. In addition, agreements governing joint ventures often contain restrictions on the transfer of a Joint Venture Partner's interests, including "buy-sell" or similar provisions which could result in the requirement that a Joint Venture Partner purchase or sell its interests at a disadvantageous time or on disadvantageous terms.

Operational and Other Related Risks

Operational Risk

The Firm and Clients can suffer losses arising from shortcomings or failures in operational processes, procedures, or systems.

Technology and Cybersecurity

We are dependent on the effectiveness of the information and cybersecurity policies, procedures and capabilities we maintain to protect the confidentiality, integrity and availability of our

computer and telecommunications systems and the data that resides on or is transmitted through them. An externally caused information security incident, such as a cyber-attack, or an internally caused incident, such as a failure to control access to sensitive systems, could materially interrupt business operations or cause disclosure or modification of sensitive or confidential Client or competitive information. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Firm's, the General Partners', the Funds' and/or service providers' operations, including the ability to make distributions to Investors. In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments.

Due to the complexity and interconnectedness of our systems, the process of upgrading existing capabilities, developing new functionalities and expanding coverage into new markets and geographies, including to address Client, Investor, or regulatory requirements, can expose us to additional cyber and information security risks or systems disruptions. Although we have implemented policies and controls, and taken protective measures, to strengthen our computer systems, processes, software, technology assets and networks to prevent and address data breaches, inadvertent disclosures, cyber-attacks and cyber-related fraud, there can be no assurance that any of these methods prove effective.

Due to our interconnectivity with third-party vendors, and other financial institutions, we can be adversely affected if any of them are subject to a successful cyber-attack or other information security event. We also routinely transmit and receive personal, confidential or proprietary information by email or other electronic means. We collaborate with vendors and other third parties to develop secure transmission capabilities and protect against cyber-attacks. However, we cannot ensure that our protections or such third parties have all appropriate controls in place to protect the confidentiality of such information.

Any information security incident or cyber-attack against us or our vendors, including interception, mishandling or misuse of personal, confidential or proprietary information, have the ability to cause disruptions and impact business operations. This could also potentially result in financial losses, the inability to transact business, violations of applicable privacy and other laws, loss of competitive position, regulatory fines and/or sanctions, breach of Client Governing Documents, reputational harm or legal liability. Many jurisdictions in which we operate have laws and regulations related to data privacy, cybersecurity and protection of personal information. Any determination of a failure to comply with any such laws or regulations could result in fines and/or sanctions against us.

Legal, Tax, and Regulatory Risks

The Firm and its Clients must comply with various legal requirements, including those imposed by securities laws, tax laws and pension laws. Laws and regulations affecting our business change from time to time, and we are currently operating in an environment of significant global and U.S. regulatory reform. We cannot predict the effects, if any, of future legal and regulatory changes on our business or the services we provide.

Enhanced Scrutiny and Potential Regulation of the Private Investment Fund Industry

The SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulation that would impact the business of the Firm and its Clients. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules, that if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact the Firm and its Affiliates, and Clients and/or their Investments, as well as increasing expenses. Significant time and resources may be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to Clients and Investments.

Volcker Rule

An analysis is conducted to determine whether certain Clients are subject to Section 13 of the Bank Holding Company Act of 1956, as amended (together with the regulations promulgated thereunder, the "Volcker Rule"). The Volcker Rule generally prohibits banking entities from acquiring or retaining an ownership interest in, or sponsoring, certain types of funds (each, a "covered fund"), including certain commodity pools and funds that would be treated as investment companies but for the exemptions set forth in Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act. If a Client is unable to rely on one or more other exemptions from registration under the Investment Company Act and consequently relies solely on the exemption provided in Section 3(c)(1) or in Section 3(c)(7) of the Investment Company Act, then such Client will be a "covered fund" under the Volcker Rule unless an applicable exception applies. Compliance with the Volcker Rule imposes certain restrictions on the activities of Clients that are "covered funds" and could adversely affect their business and operations. For example, the funded and unfunded commitment to a Client might need to be reduced by an Investor, which could require a transfer of a significant portion of their direct or indirect interests in such Client. In addition, such restrictions will apply if such Client is deemed to be a "commodity pool" as defined in the regulations implementing the Volcker Rule. To avoid having any Client be treated as a commodity pool and therefore a covered fund, it could become necessary for the Firm to restrict the use of swaps and caps by the Client, including for the purpose of hedging interest rate exposure on variable rate financings, as discussed below.

European Union ("EU") Alternative Investment Fund Managers Directive ("AIFMD") and United Kingdom ("UK") Alternative Investment Fund Managers Regulation

Raising capital from institutional European Investors is regulated by AIFMD (or the "Directive") as put into national law within the member states of the EU and the European Economic Area ("EEA"). The Directive imposes requirements on non-EU alternative investment fund managers ("AIFMs") that market alternative investment funds ("AIFs") to professional investors within the EU. Following its departure from the EU, the UK has retained the Directive and the UK AIFM law regulates non-UK AIFMs that market AIFs within the UK.

The Directive permits the marketing of AIFs by non-EEA AIFMs in accordance with local laws. The Firm is designated as an AIFM for certain Clients under Article 42 of the Directive– the so-called

national private placement regime ("NPPR"). Where NPPR is permitted, the Firm , as AIFM, must comply with, among others:

- Article 22 – requirements relating to annual reports;
- Article 23 – pre-investment and periodic disclosure to investors; and
- Article 24 – periodic reporting to regulators.

Appropriate cooperation arrangements must be in place for systemic risk oversight between regulators of members states where a Fund is marketed and the supervisory authorities of the country where the AIFM is established, in this instance the Advisor is a U.S. advisor regulated by the SEC. Some EEA Member States require a non-EEA AIFM to comply with substantially all of the Directive, while other jurisdictions require compliance with the minimum plus, e.g. the appointment of a depositary. Some jurisdictions do not permit any marketing by non-EU AIFMs. Because each NPPR is a matter of national law, the Advisor, as a non-EEA AIFM, must comply with different regulatory requirements in different member states to market in that state and has ongoing compliance requirements. These requirements could adversely affect our operation of Funds, including by affecting the range of investments and strategies a Fund is able to pursue and limiting the territories in which a Fund may seek Investors.

European Commission Action Plan on Financing Sustainable Growth

The European regulatory environment for alternative fund managers and financial services firms continues to evolve and increase in complexity, in an effort aimed at providing more transparency around sustainability goals and comparability metrics to investors. This makes compliance more costly and time-consuming and increases regulatory scrutiny on "greenwashing" or mis-categorizing investment products. In March 2018, the European Commission published an Action Plan on Financing Sustainable Growth (the "EU Action Plan") to set out an EU strategy for sustainable finance. The EU Action Plan identified several legislative initiatives, including the Sustainable Finance Disclosure Regulation (the "SFDR"), which has certain disclosure requirements that apply as of March 10, 2021 and further requirements expected to be finalized in 2022. The SFDR requires transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in an alternative investment fund manager's processes and the provision of sustainability-related information with respect to alternative investment funds, which could have an impact on the Firm and its Clients.

CFTC Considerations

Some Clients use swaps, caps, or futures in connection with their operations, including for the purpose of hedging interest rate exposure on variable rate financings or to hedge foreign currency exposure. To the extent a Client utilizes any such instruments, which could be treated as commodity interests, the Client could become a commodity pool within the meaning of the Commodity Exchange Act ("CEA") or the regulations promulgated by the Commodity Futures Trading Commission ("CFTC"), and the Firm or an Affiliate could become a commodity pool operator (a "CPO") within the meaning of the CEA or CFTC regulation. Certain General Partners claim an exemption from the registration requirements applicable to CPOs under CFTC Rule 4.13(a)(3), as applicable. A Client may be restricted in its use of swaps, including for the purpose of hedging interest rate exposure on variable rate financings. If the Firm or an Affiliate, including

a General Partner, becomes a CPO within the meaning of the CEA or CFTC regulations and fails to comply with the requirements of the exemption provisions of CFTC Rule 4.13(a)(3), the Client would become a "covered fund" for purposes of the Volcker Rule, in which event it would be required to comply with the restrictions of the Volcker Rule applicable to covered funds.

OFAC and FCPA Considerations

Economic sanction laws in the U.S. and other jurisdictions could prohibit the Firm, our employees, and Clients from transacting with or in certain countries and with certain individuals and companies. In the U.S., the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list is be amended from time to time, can be found on the OFAC website at (www.treas.gov/ofac). In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions could restrict a Client's investment activities.

In some countries, there is a greater acceptance than in the U.S. of government involvement in commercial activities, and of corruption. The Firm is committed to complying with the Foreign Corrupt Practices Act ("FCPA") and other anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations, to which it or its Clients are subject. As a result, a Client could be adversely affected because of its unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations could make it difficult in certain circumstances for the Client to act successfully on investment opportunities and for portfolio entities to obtain or retain business. While the Firm has developed and implemented policies and procedures designed to promote strict compliance with the FCPA, such policies and procedures may not be effective in all instances to prevent violations. In addition, in spite of the Firm's policies and procedures, in the case of joint ventures or other instances where the Firm or its Affiliate does not fully control an Investment, such other entities or persons could engage in activities that could result in FCPA violations.

U.S. Taxation of Carried Interest

U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its General Partner, or the

Advisor who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant General Partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for the Advisor to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

Secondaries and other Advisor-Led Transactions

There continues to be a significant market in the private fund sector for secondary sales, General Partner-led transactions, continuation funds, successor fund investments and other transactions for the disposition of Investments, and the Advisor reserves the right to dispose of (or seek additional capital for) Fund Investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase a portion of one or more Investments that will continue to be managed by the Advisor following the transaction. Such transactions are undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing Investors and maintaining exposure to an asset where the Advisor believes there is the potential for additional value generation. Where undertaken, existing Investors typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by the Advisor and its affiliates), often on different terms than the original Investment. However, certain of such transactions are expected to require an Investor to invest additional capital in the existing Fund and/or other investment vehicles, result in a greater exposure to one or more particular portfolio investments, and/or result in a delay in the full liquidation of its investment. In other circumstances, even Investors that elect to continue to hold a direct or indirect interest in the relevant investment will have their interest adjusted as if distributed (i.e., a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or Investor and those of the Advisor or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where the Advisor or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the relevant General Partner on the sale of an asset from an existing Fund in such transaction), their incentives are expected to diverge from those of Investors who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, the Advisor, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the Investment(s) subject to the transaction. To the extent the Advisor requires existing Investors and/or new buyers to commit capital to a continuation fund or another Fund managed by the Advisor in addition to the purchase amount paid in a transaction, such requirement is expected to have a dilutive effect on the purchase price for the selling Fund and its Investors. There can be no assurance that any such transaction will accurately reflect the fair market value of the Fund Investment(s) being sold. Further, the relevant General Partner is expected to be incentivized to make investments with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as Investors in the

relevant Fund, and in such circumstances the Advisor reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain Investors will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to Investors and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that the Advisor will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual Investor or group of Investors. However, the Advisor reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents. The Advisor is permitted to seek the consent of the relevant Fund advisory committee (to the extent a Fund has an advisory committee) to approve conflicts associated with such transactions and accordingly not all Investors will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

Public Health Emergencies

Any public health emergency, including any outbreak or the threat of outbreak of coronaviruses, SARS, H1N1/09 flu, avian flu, other coronaviruses, Ebola or other existing or new epidemic diseases, could have a significant adverse impact on a Client's Investments. The extent of the impact of any public health emergency on the operational and financial performance of a Client and its Investments will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency can materially and adversely impact the value and performance of an account's investments as well as the ability to source, manage and divest investments and achieve the account's investment objectives, all of whichcould result in significant losses to the Client.

Item 9 – DISCIPLINARY INFORMATION

The Firm does not have any legal or other disciplinary events to report that are material to a current or prospective Client or Investor's evaluation of our advisory business or the integrity of our management.

Item 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As a wholly-owned subsidiary of Affinius Capital, we are affiliated with various real estate and financial services firms including those discussed below. The Firm is also indirectly owned by entities and individuals that individually or jointly have ownership in other real estate and financial services firms and holding companies, including companies that provide services to, or co-invest with, the Firm or its Clients. Certain Holdco directors are also board members, partners, members, shareholders, officers, directors and/or employees of some of these Related Entities. See Item 11 below for a discussion of potential conflicts of interests related to these relationships and how they are managed.

We utilize certain Affiliates to offer select Investment related services to Clients and Investors, and we provide select services to our Affiliates. Some of these Affiliates are also investment advisors registered with the SEC, and some are exempt from registration. For example, we use the services or personnel of one or more of our Affiliates for evaluating markets, submarkets, market participants, and investment or disposition opportunities, as well as client servicing in their local or regional markets. We also provide some of these same services to certain of our Affiliates. Arrangements among Affiliates take a variety of forms, including dual employee, participating affiliate, delegation, sub-agency, or other formal or informal servicing arrangements. Certain of those Affiliates' employees are deemed "supervised persons" within the meaning of Section 202(a)(25) of the Advisers Act, as these Affiliates may, through such employees, contribute to our investment advisory process. The practice of utilizing Affiliates is designed to make the Firm's capabilities available to Clients and Investors in as seamless a manner as practical within a varying global and domestic regulatory framework.

U.S. Investment Adviser Affiliates

Affinius Capital Management is a wholly owned advisory subsidiary of Affinius Capital and an affiliate of the Firm. Affinius Capital Management is registered with the SEC as an investment adviser and is an institutional real estate investment manager that provides commercial real estate advisory services focused on debt and equity investments, including first mortgages, mezzanine loans, preferred equity, and joint venture equity. The Firm and Affinius Capital Management utilize some of the same research, personnel and systems. Certain of the Advisor's Clients may invest in the same Investments as Affinius Capital Management's clients.

IDR Investment Management, LLC ("IDR"), an SEC registered investment advisor, is a majority owned subsidiary of Affinius Capital. Effective on or about April 1, 2023, IDR will cease to be a majority owned subsidiary of Affinius Capital and will indirectly be majority owned by entities controlled by Davidson, Wolff, O'Donnell, Solomon and USAA.

Broker-Dealer Affiliation

Certain employees of the Firm are currently registered representatives of an unaffiliated broker-dealer.

Other U.S. Related Entities

Bridger Holdings is a private holding company primarily focused on real estate and other asset management and related activities through its operating businesses and is managed by Davidson and Wolff. Bridger Holdings directly or indirectly holds a controlling interest in Holdco as well as an interest in Crimson (see below) and is a Co-Investor in various Investments. In certain arrangements, Bridger or its subsidiaries are members or partners in joint venture partnerships and on occasion receive a promote in exchange for services in addition to a fee.

Crimson Interests, LLC ("Crimson"), is a real estate services firm. Affinius Capital and Bridger Holdings collectively own, directly or indirectly, a majority interest in Crimson. Crimson provides project development, property management, asset management, and other real estate related services primarily through its subsidiaries, including Patrinely Group, LLC; Crimson Services, LLC; Crimson Investment Management, LLC and Corscale LLC. Crimson and/or its subsidiaries provide real estate related services to the Firm and the underlying Investments, and in certain arrangements, are

members or partners in joint venture partnerships and on occasion receive a promote in exchange for services in addition to a fee.

Kandle Management Company, LLC ("Kandle"), is a real estate investment firm that makes direct and indirect investments in real estate and real estate related assets. Kandle is indirectly controlled by Davidson and Wolff. Kandle I, LP is a pooled investment vehicle sponsored by Kandle which is an indirect Investor and Co-Investor in certain Client Investments. One or more Clients have invested in Kandle I, LP and or invest in real estate investments sponsored directly or indirectly by Kandle I, LP. O'Donnell is a member of Kandle I, LP's investment committee.

Quorum Real Estate Services LLC ("Quorum"), is owned by Affinius Capital and is licensed with the Texas Real Estate Commission and the Illinois Real Estate Commission. Quorum handles property accounting for certain Investments and receives a portion of the property management fee for its services.

USAA, a San-Antonio based Fortune 500 diversified financial services group of companies, owns a minority interest in Holdco. Affinius Capital and its subsidiaries, including the Advisor, manage USAA's portfolio of real estate investments across the U.S., Mexico, and Europe.

Non-U.S. Affiliates and Related Entities

Affinius Capital Europe, B.V. ("Affinius Capital Europe"), a wholly owned subsidiary of Affinius Capital, is a Netherlands based entity that provides capital raising activities for the Firm as well as client service and relationship oversight. The Amsterdam-based operation is also engaged in developing, acquiring and managing institutional-quality real estate investments for Clients. Affinius Capital Europe provides these services as a "Participating Affiliate", in accordance with a series of SEC no-action relief letters that mandates Participating Affiliates remain subject to the regulatory supervision of the US registered entity relying on its services and the SEC.

Affinius Capital Europe Holdco, B.V. ("Europe Holdco"), a Netherlands based entity, is majority and indirectly owned by Affinius Capital related entities, and controlled and minority owned by the indirect owners of the Advisor. Europe Holdco is the majority owner of an entity that owns a portfolio of real estate assets in Europe.

Mountpark Realco Cooperatief NL UA, Mountpark Logistics EU GP NL BV, and Mountpark Logistics EU NL CV (collectively, "Mountpark") are entities that are majority owned by Affinius Capital Europe or Europe Holdco. Mountpark specializes in development of European industrial logistics real estate assets.

Other Relationships

The Firm uses a third-party consultant to consult on hedging strategies, coordinate execution of its hedging positions, and assist in the coordination of pre- and post-trade hedging documentation.

The Firm and its Affiliates or service providers periodically sponsor incentive programs for unaffiliated third parties, primarily for real estate brokers and leasing agents. These programs are designed to incentivize the brokers and/or leasing agents to generate interest in obtaining tenants to occupy vacant

space in Investment properties owned by Clients. The incentive programs are designed to benefit the Clients by securing leases as quickly as possible to generate revenue at the properties owned by the Clients. The incentive programs often include items such as meals, gifts, gift cards, vacation accommodations, and other items. The incentive programs can be paid for, in whole or in part, as part of the marketing budget for each Investment property. Since these expenses are sometimes paid by the Investment property per the particular Client's Governing Documents, the Client and Investors can indirectly bear the cost of these programs.

From time to time, we receive training, information, promotional material, meals, gifts, entertainment or other perquisites from vendors and others with which we do business or makes referrals. At no time will we accept any benefits, gifts, entertainment or other arrangements that are conditioned on directing individual Client transactions to a specific Investment, product or provider. Similarly, our employees have in the past, and expect in the future to speak at or attend, conferences and programs for potential investors interested in investing in real estate products and other real estate and other industry events that are sponsored by various industry participants. Through such capital introduction and other industry events, prospective investors have the opportunity to learn about and/or meet with us. The Firm pays registration, sponsorship, membership or other similar fees to attend such events; it does not compensate any company for investments ultimately made by prospective Investors attending such events.

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

Code of Ethics and Employee Personal Trading

Affinius Capital and its Affiliates, including the Advisor, have adopted a Code of Conduct and Ethics (the "Code") that is designed to reinforce our institutional integrity; to summarize our values, ethical standard and commitment to address potential conflicts of interest that arise from our activities and personal trading; and to maintain compliance with the federal securities laws.

The Code includes, among other items, the following:

- Pre-clearance and reporting of employee personal securities transactions;
- Pre-clearance of outside business activities;
- Preclearance and restrictions on employee political contributions;
- Requirements related to confidentiality; and
- Limitations on, pre-clearance and reporting of, gifts and entertainment.

Covered Persons, as that term is defined in our Code, are subject to guidelines governing the ability to trade in personal accounts. The guidelines generally require that personal securities transactions and investment transactions receive pre-clearance or be exempt from the pre-clearance requirements. We require all Covered Persons to provide information on trade activity in reportable personal accounts, and to also provide quarterly transaction reports and annual securities holdings reports to the Chief Compliance Officer (the "CCO"). All Covered Persons must acknowledge the Code's terms and certify their compliance with the Code upon hire and at least annually and, as a condition of employment, all employees certify to their obligations to understand and adhere to the Code.

Employees are prohibited from trading, either personally or on behalf of others, in securities while in possession of material nonpublic information regarding securities or communicating material nonpublic information about such securities to others. The Firm maintains a restricted list of issuers about which it has or may have material nonpublic information and employees are not permitted to invest in those names.

The Code is available to any existing or prospective Investor upon request by contacting the Firm's CCO at (800) 531-8182 or compliance@affiniuscapital.com.

Managing Conflicts of Interest

We act in a variety of capacities on behalf of our Clients, utilize various Related Entities to provide services to the Firm and Clients, and Related Parties have interests in the Firm, its affiliates and various other Related Entities. We seek to continuously monitor resulting actual and potential conflicts of interest that arise from these services and roles. Not all potential, apparent and actual conflicts of interest, however, are described in this section, and additional conflicts could arise as a result of new activities, transactions or relationships. In particular, additional conflicts of interest that currently are not apparent to the Firm or to the broader alternative investments industry can be identified, as well as conflicts of interest that arise or increase in materiality as the Firm develops new investment platforms or business lines, enters into new business relationships with Related Entities and third parties, and otherwise adapts to dynamic markets, and an evolving regulatory environment and new legal and tax-related developments. A more complete and detailed description of applicable conflicts of interest specific to a Client is included in that Client's Governing Documents, which Investors are encouraged to consult.

A conflict of interest arises when the Firm, its Related Parties and/or Related Entities have an incentive to advance one interest at the expense of another, which might mean an incentive to serve the interest of the Firm, Related Party or Related Entity over that of our Clients and/or Investors, serve the interest of one Client or Investor over that of another, or an incentive on the part of an employee or group of employees to serve their own interests over those of the Firm or its Clients or Investors. We have discussed various potential conflicts of interest and how we manage them in other sections of this Brochure. The following describes other conflicts and how they are managed.

Advisory Board

Certain Clients' General Partners will appoint one or more Investor representatives to an advisory board, which has the ability to review and waive compliance with certain provisions of the relevant Governing Documents, including resolving potential conflicts of interest situations, and whose approval is required in certain circumstances or can be requested in other circumstances, including certain approvals or consents required by the Advisers Act. All Investors are bound by the determinations of the relevant advisory board, regardless of whether an Investor is directly represented by a member of such advisory board. The Governing Documents will provide that to the fullest extent permitted by applicable law, none of the advisory board members shall owe any fiduciary duties to the Clients or any other Investor. Members of the advisory board may have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to the advisory board for consideration or review. Members of the advisory board often have various business and other relationships with the Firm and its employees, Affiliates and Related Entities. These relationships have the potential to influence their decisions as members of the

advisory board, including to vote or consent to matters in a manner that does not necessarily serve the best interests of the applicable Client. To the extent that an Investor is not directly represented by a member of the advisory board, such Investor will have no influence over matters submitted to the advisory board for review or approval. On any issue involving actual conflicts of interest, we will be guided by our good faith discretion.

In addition, it is possible that members of one Client's advisory board will also be a member of another Client's advisory board. In such instances, a conflict of interest could be deemed to exist if an advisory board is requested to provide consent with respect to transactions which involve a conflict of interest between two or more Clients on which such advisory board members serve, and such members would be unlikely to recuse themselves from any such vote.

Allocation of Personnel

The Firm and our employees devote such time to a Client as we determine to be necessary. The Firm's personnel, including members of the Investment Committees, work on other projects and initiatives, serve on other committees, source potential Investments for, and otherwise assist in the investment programs for other funds and clients, including for our Affiliates and Related Parties. Time spent on these other initiatives diverts attention from the activities of Clients, which could negatively impact Clients and their Investors. Affinius Capital derives financial benefit from these activities, including fees and performance-based compensation. These and other factors create conflicts of interest in the allocation of time by our employees.

Outside Activities of Principals and Employees

Certain of our officers and employees engage in outside business activities, including outside directorships. Such outside business activities could impact the relevant individual's impartiality in performing their duties on behalf of the Firm. We could also be restricted from acquiring or disposing of Investments on behalf of a Client if an officer or employees obtains confidential or material, non-public information as a result of an outside business activity. To manage these potential conflicts, all outside business activities are subject to prior approval pursuant to the Code, and we have conditions that may be imposed, such as a requirement for the individual to recuse themselves from participating in making certain decisions, as a condition of the outside business activity being approved.

Our employees are permitted in certain situations to invest in alternative investment funds, private equity funds, real estate funds and other investment vehicles, as well as securities of other companies, some of which could be considered competitors of the Firm, its Clients, and/or Affinius Capital. Clients will not receive any benefit from such investments, and the financial incentives of these personal investments could be equal to or greater than the employees' financial incentives in relation to a Client. Personal securities transactions are subject to pre-clearance under the Code and potential conflicts are considered in determining whether to approve the private transaction.

Certain of our employees have family members or relatives that are actively involved in industries and sectors in which Clients invest, or have business, personal, financial or other relationships with companies in such industries and sectors (including advisers and service providers to the Firm and its Clients). This gives rise to potential or actual conflicts of interest. For example, such family members or relatives can be officers, directors, personnel or owners of companies or assets which are actual or

potential Investments of Clients or other counterparties of Clients. In certain instances, a Client will purchase or sell assets from or to entities in which those family members or relatives have other involvement. In most circumstances, a Client's Governing Documents will not preclude a Client from undertaking any of these investments or transactions.

Affiliated Entities

We have an incentive to provide preferential treatment to Affiliated Entities and Strategic Investors (defined below). In addition, Affiliated Entities might have access to information or reports that are not available to unaffiliated entities or Investors. We strive to ensure that any such treatment, financial arrangements and information rights, and the manner in which we manage our relationship with Affiliated Entities, are consistent with our ability to act in the best interest of all our Clients.

Development Activities of the Firm and Its Related Entities

The Firm and/or its Related Entities will continue to own and develop property it currently owns. Notwithstanding that any such property may be located in one or more of the target markets of a Client, not all Clients will be offered the opportunity to participate in the direct or indirect ownership of such property and the development of some properties can compete directly or indirectly with an Investment acquired by a Client or be in an identified target market of a Client. Moreover, the Firm, its Affiliates and Related Entities will continue to enter into build-to-suit transactions for or with third parties including build-to-suit projects which may be located in the target market of a Client. In connection with these development activities, conflicts of interest can arise related to the allocation of Investment opportunities between the Firm and/or its Related Entities and a Client.

Existing Relationships, Including Advisors and Service Providers

We have long-term relationships with a significant number of tenants, developers, institutions and other companies, some of which are Related Entities, and we are more likely to use a service provider with which we have a long-standing relationship. In determining whether to develop or invest in a particular property on behalf of a Client, we consider those relationships. In addition, the existence and development of such relationships will often be taken into account in the management of a Client and its Investments.

Certain advisors and other service providers, or their affiliates (including accountants, appraisers, valuation experts, tax advisors, fund administrators, lenders, servicers, asset managers, bankers, brokers, attorneys, consultants and investment or commercial banking firms) also provide goods or services to or have business, personal, political, financial or other relationships with the Firm, Affinius Capital and/or its Affiliated Entities. Some of such advisors and service providers are investors in a Client, sources of investment opportunities or otherwise are co-investors with or counterparties to transactions. These relationships have the potential to influence the Firm in deciding whether to select or recommend any such advisor or service provider to perform services for a Client or a portfolio entity. The Firm generally seeks to engage advisors and service providers in connection with investment transactions for a Client on the basis of the overall quality of advice and other services provided, the evaluation of which includes, among other considerations, such service provider's provision of certain investment-related services and research that the Firm believes to be of benefit

to a Client. The advisors and other service providers could charge the Firm or its Affiliated Entities rates or other terms that are different and more favorable than those provided to a Client.

Strategic Relationships

Affinius Capital has entered into and expects in the future to enter into strategic partnerships or other multi-strategy or multi-asset class arrangements with Investors that commit capital to a range of Affinius Capital's platform of products, investment ideas and asset classes (including the strategy of a Client) ("Strategic Investors") which entitles them to certain rights that are distinct from their interests and/or are not afforded to other Investors. Such arrangements could include the Advisor granting certain preferential terms, including blended fee and carried interest rates that are lower than those applicable to the Clients when applied to the entire strategic partnership or arrangement, and training by the Advisor of personnel of the Investor. Such additional rights and benefits also include specialized reporting, secondment of personnel from the investor to the Advisor, rights to participate in the investment review and evaluation process, as well as priority rights for co-investments alongside Advisor funds, including, without limitation, preferential allocation and preferential terms and conditions related to such participation (including in respect of any carried interest and/or management fees to be charged with respect thereto), which include investments made by the Clients. The existence of such arrangements can result in fewer co-investment opportunities (or reduced or no allocations) being made available to Investors.

Strategic Investors are not considered "affiliates" of the Firm and are typically permitted to appoint representatives to the applicable Clients' advisory committees. These representatives could be motivated by interests that are different from other Investors, which interests could influence their votes, actions and discussions, including votes, actions or discussions as members of (or being represented by members of) the applicable advisory committees. Any representative on the applicable advisory committees is permitted to take any action or decline to take any action without regard to any potential conflict of interest resulting from its status as a representative of a Strategic Investor, provided that such action is not taken in bad faith. See also "Advisory Board" above.

Buying and Selling Investments from Certain Related Entities

Clients, Investors, and Related Entities on occasion engage in transactions with one another. For example, from time to time, a Client will purchase, transfer, or sell an Investment to another Client or to a Related Entity; an Investor will purchase, sell or transfer an Investment to a Client, or a seed portfolio ("Seed Portfolio") will be temporarily warehoused by a Client or Related Entity and subsequently transferred to a Fund or other Client (each, a "Related Entity Transaction" and collectively, "Related Entity Transactions"). These Related Entity Transactions involve conflicts of interest, as there are different financial incentives, and we will receive fees and other benefits, directly or indirectly, from or otherwise have interests in both parties to the transaction.

A Related Entity Transaction is done only if: (i) we determine the transaction to be in the best interest of participating Clients; (ii) the Related Entity Transaction is permitted by the relevant Governing Documents; (iii) proper disclosure is given to all parties; (iv) consent is obtained from the appropriate parties as required under the relevant Governing Documents and applicable law; and (v) the price paid is fair and reasonable. While the price paid is based on a fair and reasonable price, there can be no assurance that any Investment sold in a Related Entity Transaction will be valued or allocated a

sale price that is the similar to the price if such Investment was sold to a third party and we are not required to solicit third-party bids prior to entering into a Related Entity Transaction.

With respect to Seed Portfolio Investments, a fair and reasonable price is often determined to be a price equal to cost, plus a "cost of carry". We manage potential conflicts in determining the price of a Seed Portfolio by ensuring that there is appropriate disclosure to affected Clients and Investors.

Transactions with Affiliates and Related Entities

The Firm and/or Clients from time to time engage in transactions with Affiliates and Related Entities by performing services to or receiving services from such Affiliates or Related Entities or by investing in entities in which such Affiliates or Related Entities hold interests. Such services or investment transactions will generally be made on terms (including the consideration to be paid) that are determined by the Firm to be fair and reasonable.

Related Party/Entity Participation or Interest in Client Transactions

Certain Related Entities have business, personal, financial and other relationships with individuals or entities in real estate related industries and sectors, which provide services to the Firm, Clients, Investments or Investors, and give rise to potential or actual conflicts of interest. For example, certain officers, directors or employees of a Related Entity or Related Party are also direct or indirect owners; or an officer, director, or employee of a company that is a direct or indirect owner; of an actual or potential Client Investment. Moreover, from time to time, a Client will purchase or sell assets from or to, or otherwise transact with Related Entities. To the extent the Firm determines appropriate for the particular transaction, conflict mitigation strategies are put in place, including internal information barriers or recusal, disclosure or other appropriate steps.

Investor Transfer of Interest

In certain cases, we will have an opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify one or more secondary transferees of an Investor's interest in a Client. In the case of ordinary transfers, we will not receive compensation for identifying such transferees and will use our discretion to select such transferees based on eligibility and other factors, and unless required by the relevant Governing Documents, will determine in our sole discretion whether the opportunity to receive a transfer of an Investor's interest in a Client should be offered to one or more existing Client Investors. The Firm or a Related Party could purchase a portion of a Client Investor's interest.

Conflicts Related to Investing Alongside Affiliates and Related Entities

A Client can make an Investment in a joint venture arrangement alongside an Affiliate, Related Party or Related Entity. Differences between the Client's Investment in such joint venture arrangement, including, but not limited to, the Investments' terms and right to performance-based fees and/or allocations, could result in the Affiliate Entities interests diverging from the Client's interest. For example, some Clients enter into joint venture arrangements with a vehicle that pays a management fee and/or performance-based fee to the Firm, or the joint venture arrangement itself can pay a performance-based fee to the Firm. In either case, the payment of any such fees will not offset the

Client's management fee to the Firm. Our entitlement to such performance-based allocations and fees from the joint venture arrangement has the potential to influence us to make more speculative investments on behalf of the joint venture arrangement and/or use more leverage than we would otherwise make in the absence of such performance-based compensation. This results in potential conflicts of interest for us and our investment professionals.

Co-Investment

From time to time, the Firm seeks co-investment partners for Clients, including co-investments with Investors, other Clients and other parties the Firm has a material or strategic relationship with, including Related Entities and Strategic Investors. The allocation of co-investment opportunities is entirely and solely in the discretion of the Firm, and an Investor who has expressed an interest in co-investment opportunities will not necessarily be allocated any co-investment opportunities or could, in certain circumstances, receive a smaller amount of co-investment opportunities than the amount requested. Co-investments offered by the Firm will be on such terms and conditions (including management fees, performance-based compensation and related arrangements and/or other fees applicable to Co-Investors) as the Firm determines to be appropriate in its sole discretion on a case-by-case basis, which can differ amongst Co-Investors with respect to the same co-investment. In addition, the investment performance of Co-Investors investing with a Client is not considered for purposes of calculating the performance-based compensation payable by a Client to the Firm. See also, "Strategic Relationships" above.

A Client and Co-Investors will often have different investment objectives and limitations, such as return objectives, leverage limitations and maximum hold periods. As a result, the Firm will have conflicting incentives in making decisions with respect to such opportunities. Even if a Client and any such parties invest in the same securities on similar terms, conflicts of interest will still arise as a result of differing investment profiles of the Investors, among other items.

The Firm takes into account various facts and circumstances deemed relevant in allocating co-investment opportunities, including, among others:

- Whether a potential Co-Investor has expressed an interest in evaluating co-investment opportunities;
- Whether a Client's investment objectives would be well-served by allocating less of an Investment to that Client by bringing in a Co-Investor to participate in the Investment;
- The Firm's assessment of a potential Co-Investor's ability to invest an amount of capital that fits the needs of the Investment (taking into account the amount of capital needed as well as the maximum number of Investors that can realistically participate in the transaction) and the Firm's assessment of a potential Co-Investor's ability to commit to a co-investment opportunity within the required timeframe of the particular transaction;
- The size of a potential Co-Investor's commitments to Clients;
- Any expertise or experience of the Co-Investor that is relevant to or otherwise of strategic value to the Firm, Clients, or the particular Investment;
- Whether a potential Co-Investor has a history of participating in co-investment opportunities with the Firm, including as an Investor in prior co-investment deals, as well as the Co-Investor's general reputation and experience as a Co-Investor;

- Whether a potential Co-Investor has committed capital to a Client and the timing of such commitment;
- Whether the potential Co-Investor has demonstrated a long-term or continuing commitment to the potential success of the Firm or its Clients, including whether a potential Co-Investor will help establish, recognize, strengthen or cultivate relationships that may provide indirectly longer-term benefits to Clients,
- Whether the Co-Investor has significant capital under management by the Firm or intends to increase such amount;
- Whether the potential Co-Investor has an overall strategic relationship with the Firm that provides it with more favorable rights with respect to co-investment opportunities;
- Whether a potential Co-Investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity;
- The extent to which a potential Co-Investor has been provided a greater amount of co-investment opportunities relative to others; and
- Such other factors that the Firm deems appropriate to consider in the circumstances.

Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and the Firm expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to management fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the "most-favored nation" provisions of a Fund's Governing Documents and (iii) co-investors' proportionate share of a particular investment typically is not subject to the management fee offset provisions of a Fund's Governing Documents. In order to facilitate the acquisition of an Investment, a Fund reserves the right to make (or commit to make) an investment with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio investment, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Allocation of Investment Opportunities

We invest capital on behalf of Clients in a wide variety of Investment opportunities. The Firm has conflicting loyalties in determining whether an Investment opportunity should be allocated to one or more Clients. As a result, we have adopted policies and procedures designed to ensure that Investment opportunities are allocated among various Clients in accordance with a Client's Governing Documents and on a basis that the Firm believes in good faith to be fair and reasonable. There can be no assurance that an Investment which is consistent with a Client's investment objectives will be presented to that Client, and certain Investment opportunities may be allocated among multiple Clients.

Employee Investors

Certain of our employees, Related Entities, or Related Parties have invested in certain Clients or Client Investments, including as part of our commitment to such Client. Subject to applicable law, the terms of an Investment by an employee differ from, and are more favorable than, those of an Investment by an external Investor. For example, employee Investors generally will not be subject to a management fee and/or carried interest with respect to their Investment, can receive information regarding Investments at different times than other Investors and can benefit from different credit facility arrangements than a Client.

These Investments also pose a risk that employees with influence over Investment decisions will favor the Clients in which they, other employees or Related Parties have an interest. We believe that the Code and other policies and procedures help manage these risks. We also believe that employee Investments in Clients align the interests of our Firm and employees with those of Clients and Investors.

Conflicting Fiduciary Duties to Other Clients

Clients have the ability to invest in an Investment for which another Client already has or is acquiring an interest and such Clients could acquire such interests at different points in time. Additionally, the Firm or a Related Party will occasionally structure an investment as a result of which one or more vehicles primarily investing in debt instruments are offered the opportunity to participate in the debt tranche of an Investment allocated to Clients. As an investment adviser, the Firm owes a fiduciary duty to all its Clients. The Firm will face a conflict of interest in the event that (i) a Client acquires an equity interest in a portfolio investment in which another Client holds or is acquiring an interest in (ii) or a Client purchases debt instruments of a portfolio investment that another Client holds or is acquiring equity in, or vice versa. In such instances, the Firm will face a conflict of interest in respect of decisions made with regard to all such Clients holding potentially competing interests (e.g., with respect to the terms of such debt instruments, the enforcement of covenants or the terms of recapitalizations).

Valuation Matters

Some of our fees are at times based on the value of assets under management or net asset value, which include illiquid and difficult to value Investments. We seek to address the resulting conflict of interest that we might have in valuing Client assets by seeking to ensure that our valuation policies and procedures enable us to value all Investments (including any asset received in exchange for any

Investments or interests in a Client, as applicable) fairly, in a manner that is consistent with the best interests of our Clients, and in accordance with the Governing Documents of a Client.

Investments may also be periodically valued by an independent third party, consistent with the Governing Documents of each Client. There is no guarantee that the carrying value of an Investment will reflect the price at which the Investment is ultimately sold in the market, and the difference between carrying value and the ultimate sales price could be material. The valuation methodologies used to value any Investment involves subjective judgments and projections and may not be accurate. Valuation methodologies will also involve assumptions and opinions about future events, which may or may not turn out to be correct. Ultimate realization of the value of an Investment depends to a great extent on economic, market and other conditions beyond the Firm's control. Generally, there will be no retroactive adjustment in the valuation of any Investment, the offering price at which interests in a Client were purchased by Investors or repurchased by a Client, as applicable, or the fees and/or performance-based compensation paid to the Firm to the extent any valuation proves to not accurately reflect the realizable value of an Investment.

In addition, the Firm regularly reports to Investors, prospective investors and the investor community more generally, metrics of each Client's performance, such as time weighted returns, IRR's and multiples-of-money, whose calculation depends on the value of the Clients' Investments, including unrealized Investments. These reports are an indication of the overall performance of a Client and are important to the Firm's efforts to attract new investors to the Firm. An objective of our valuation methodologies and procedures is to eliminate any influence these incentives have on fair value determinations.

Reimbursements for Real Estate Services

For some Clients, the Firm is entitled to reimbursement for Investment-related acquisition, disposition, financing, breakup, development or construction management, capital placement, investment brokerage fees, and loan origination or servicing fees, which we endeavor, in our sole discretion, to provide at competitive market rates. We make determinations of market rates based on our consideration of a number of factors, which are generally expected to include our experience with affiliated and non-affiliated service providers as well as benchmarking data and other methodologies determined by us to be appropriate under the circumstances. While we aim to obtain benchmarking data regarding the rates charged or quoted by third parties for similar services, relevant comparisons are not always available for a number of reasons, including, without limitation, where services provided are unique such that there is a smaller pool from which to select either comparable transactions or qualified partners, for services which require an extensive amount of time or present other novel issues or otherwise present justification for an adjustment of the quoted rate. Therefore, such market comparisons do not always result in precise market prices for comparable services.

Conflicts Related to the Interpretation of Governing Documents and Other Legal Requirements

The Governing Documents of each Client and related documents are detailed agreements that establish complex arrangements among the Firm, its Affiliates, Investors, Clients, Related Entities and individuals. Questions arise under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated or could have been articulated

more precisely at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, can be broad, general, ambiguous or conflicting, and permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While the Firm will construe the relevant agreements in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations the Firm adopts will not necessarily be, and need not be, the interpretations that are the most favorable to the Clients or their Investors.

Pursuit and Investigation Costs for Investments

There are circumstances when we consider an Investment on behalf of a Client and determine not to make such Investment; however, we or an Affiliate or Related Party could eventually cause another Client to make such Investment. In these circumstances, it is possible that the Firm or other Client will benefit from knowledge gained through pursuit and investigation undertaken by the original investment team and/or from costs borne by a Client in pursuing the potential Investment, but such other Client will not be required to reimburse the Client for expenses incurred in connection with the pursuit and investigation.

Subscription Credit Facility

Some Clients utilize a subscription credit facility, the use of which can involve potential conflicts of interest. Subject to the limitations in the Governing Documents, the use of a subscription credit facility by a Client is within the Firm's discretion. A Client might seek to utilize a subscription credit facility for the purpose of, among other things, financing any Investment related activities of a Client covering expenses, management fees and any other costs of a Client, making distributions to Investors, providing permanent financing or refinancing or providing interim financing to consummate the purchase of Investments. The amount of credit available to a Client under a subscription credit facility is determined by the credit quality of the Investors as determined by the lender. For this reason, Investors with a higher credit quality, as determined by the lender, generate more credit for a Client than Investors with a lower credit quality, which results in an indirect benefit conferred by the higher credit quality Investors to the others.

Calculations of net and gross IRRs of Investments and performance data as reported to Investors, are based on the payment date of capital contributions from Investors. This treatment also applies in instances where a Client utilizes borrowings under a subscription credit facility in lieu of, or in advance of receiving capital contributions from Investors to repay any such borrowings. As a result, use of a subscription credit facility (or other long-term leverage) will impact calculations of returns and will result in a higher or lower reported IRR than if the amounts borrowed had instead been funded through capital contributions made by the Investors to a Client. If the use increases the IRR, as it normally does, we will have various incentives to use the subscription credit facility. For example, in the event the interest rate on borrowings is lower than the hurdle rate, use of leverage arrangements can be expected to accelerate or increase distributions of performance-based compensation to the Firm or an Affiliate, providing an economic incentive to fund Investments through long-term borrowings in lieu of capital contributions.

Tangible and Intangible Benefits

The Advisor and its Affiliates expect to receive the benefit of certain tangible and intangible benefits in connection with services to Clients and their Investments. For example, in the course of the Firm's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, the Firm and its employees expect to receive and benefit from information, "know-how," experience, analysis and data relating to Clients or Investment operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "Advisor Information"). In many cases, Advisor Information will include tools, procedures and resources developed by the Advisor to organize or systematize Advisor Information for ongoing or future use. Although the Advisor expects its Clients and their Investments generally to benefit from the Firm's possession of Advisor Information, it is possible that any benefits will be experienced solely by other or future Clients or Investments (or by the Firm and its employees) and not by a Client or Investment from which Advisor Information was originally received. Advisor Information will be the sole intellectual property of the Firm and solely for the use of the Firm. The Firm reserves the right to use, share, license, sell or monetize Advisor Information, without offset to management fees, and the relevant Client or Investment will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization.

Additionally, Client and Investment expenses are occasionally expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the Advisor and its Affiliates' personnel participating in the rewards program, rather than the Client, Investments, or their respective Investors; no such rewards will offset management fees.

We have instituted a program under which Client Investments are given the option to participate in joint purchasing, vendor or similar arrangements. Program participants, including us, our Affiliates and Related Entities, expect to receive discounts negotiated with various vendors and service providers on a groupwide basis. Participants voluntarily participate in the program and receive similar benefits and discounts as the participating Investments. The amount of such discounts will not result in additional offsets to the management fee. We believe the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to Client Investments that result if the negotiated discount rates for goods and services are discounted relative to those widely available in the market.

We have also instituted a program under which Client Investments and the Firm and its Affiliates participate in a joint purchasing arrangement with a risk management advisor or an insurance company which can result in discounts on risk management services and insurance policies for all participants. The Firm believes the potential for conflicts relating to such arrangements, including the Firm and its Affiliates' participation in such program, is mitigated by the anticipated cost savings to Client Investments. The amount of such discounts received by the Firm and its Affiliates will not result in additional offsets to the management fee.

Item 12 – BROKERAGE PRACTICES

The Firm focuses on making investments in real estate-related assets and purchases and sells the assets through privately negotiated transactions. It does not ordinarily deal with any financial intermediary such as a securities related broker-dealers, and commissions are not ordinarily payable to financial intermediaries in connection with such Investments. In such privately negotiated transactions, best execution is met by the consummation of the deal with the best possible terms for the Client. Depending on the terms of the arrangement, the Firm has the authority to negotiate and enter derivatives transaction on behalf of its Clients, primarily to hedge a risk (e.g., interest rate or foreign exchange risk). Counterparties to these derivatives transactions are selected based on a number of factors, including credit rating, downgrade triggers, execution prices, execution capability with respect to complex derivative structures, reputation, responsiveness and/or other criteria relevant to a particular transaction.

In addition, on occasion, we invest Client funds in public securities and debt instruments, including for funds held but not yet invested in real estate, funds generated from the management of properties, or the sales proceeds of real estate Investments. Such funds are invested primarily in Treasury money market funds and U.S. Government obligations, repurchase agreements and other instruments guaranteed by the U. S. or U.S. agencies. These investments are strictly incidental to the Firm's real estate activities. To the limited extent the Firm transacts in public securities, it intends to select broker-dealer's based upon their ability to provide best execution for the applicable Client taking into consideration a variety of factors, including the Firm's prior experience with the broker-dealer; the broker-dealer's execution capability, financial responsibility, reputation and expertise within the industry; the broker-dealer's responsiveness to the Firm; the broker-dealer's expertise in dealing with investments that are restrictive or illiquid in nature; and commission rates, among other factors the Firm deems relevant to the specific transaction. The Firm does not select broker-dealers based on Investor referrals.

The Firm, on behalf of its Clients or other Affiliates, retains the services of real estate or mortgage brokers for the purchase, sale or financing of portfolio Investments. Typically, such brokers are licensed under various state laws applicable to real estate and/or mortgage brokers.

Item 13 - REVIEW OF ACCOUNTS

Each Client has specific investment criteria and limitations set forth in its Governing Documents. As discussed above in Item 8, before the Firm makes an Investment on behalf of a Client, members of the applicable Investment Committee evaluate whether the investment will satisfy the particular investment criteria and limitations applicable to that Client. In addition, in the case of Clients managed on a non-discretionary basis, generally Investor approval will generally be required before we can make or modify an Investment.

After an Investment is made, our asset management, finance and compliance personnel, together with the senior officers who are responsible for that Investment monitor the Investment. See Item 8 above for a fuller description of the review process.

Investor Reports

Each Client and its Investors receive quarterly and annual reports summarizing the Investments, each as agreed to with such Client, and which generally include a capital balance, performance statistics, audited and unaudited financial statements, among other reports. The Firm also offers its Investors regular contact opportunities (e.g., personal visits, telephone, video conferences and email) throughout the year.

In the course of conducting due diligence or otherwise, Investors periodically request information pertaining to Client investments. The Firm responds to these requests, and in answering such requests, provides information that is not generally made available to other Investors who have not requested such information. Additionally, as it pertains to existing Investors, upon request or pursuant to contractual obligations, including through Side Letters, certain Investors receive additional information and reporting that other Investors do not receive. The fact that the Firm provides such information to one or more Investors does not obligate the Firm to affirmatively provide such information to all Investors. As a result, certain Investors will have more information than other Investors, and the Firm has no duty to, and does not intend to, ensure all Investors possess the same information regarding a Client and its Investments.

Item 14– CLIENT REFERRALS AND OTHER COMPENSATION

Economic Benefit from Non-Clients for Advisory Services Rendered

As described in Item 5 above, the Firm or an Affiliate is entitled to receive fees for Affiliate Services and other fees, expenses and reimbursements from Clients, Affiliates, Related Entities and others. Such fees, expenses, reimbursements and any conflicts of interest associated with the receipt of such fees are also detailed in Item 5 and 11 above, and in each Client's Governing Documents.

Client Referrals

The Firm on occasion engages the services of placement agents for Client Investor referrals. Fees for placement agent services include a fixed fee and a scaled placement fee based on a percentage of capital commitments from Investors. Placement agent fees are payable by the Client and offset dollar-for-dollar against our management fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, will generally be borne by the relevant Client as part of its organizational expenses.

Item 15 – CUSTODY

The Firm is deemed to have custody of certain Client assets because it or its Affiliates have discretion and control over Client Investments and cash. In order to comply with Advisers Act Rule 206(4)-2 (the "Custody Rule"), the Firm has elected to undergo an annual U.S. Generally Accepted Accounting Principles ("GAAP") financial statement audit by an auditing firm registered with and subject to inspection by the Public Company Accounting Oversight Board for each of the Clients over which it is deemed to have custody, copies of which are delivered to Clients and their respective investors within 120 days of fiscal year end. In addition, upon the final liquidation of a Client whose assets are subject to the Custody Rule and which is subject to audit, the Firm will obtain a final audit and distribute audited financial statements

prepared in accordance with GAAP to the Client and its Investors promptly upon completion of the audit. Investors in the Clients should carefully review such financial statements.

For non-U.S. Clients, audits are performed in accordance with International Financial Reporting Standards ("IFRS") or Luxembourg GAAP, in accordance with Client Governing Document requirements. Financial statements for Clients organized outside of the U.S. that have U.S. Investors are (i) prepared in accordance with IFRS, including an audited U.S. GAAP reconciliation footnote in relation to any material differences, (ii) audited in accordance with U.S. Generally Accepted Auditing Standards and (iii) distributed to the Client's Investors within 120 days after the Client's fiscal year-end.

Item 16 – INVESTMENT DISCRETION

For discretionary Clients, the Firm receives and exercises complete discretionary authority to manage Investments as per the Governing Documents of each such Client. Some discretionary Clients have placed restrictions or limitations placed on our discretionary authority as described in such Client's Governing Documents. All limitations and restrictions placed upon the Firm's authority with respect to an Investor's investment must be presented to the Firm in writing and agreed to by all parties.

For Clients managed on a non-discretionary basis, the Firm does not have similar discretionary authority over such Client, and our authority to manage these accounts are negotiated and agreed to on a case-by-case basis with each Client and memorialized in such Client's Governing Documents

Item 17 – VOTING CLIENT SECURITIES

Rule 206(4)-6 under the Advisers Act requires an investment adviser who exercises voting authority with respect to client securities to adopt and implement written policies and procedures reasonably designed to ensure that the adviser votes proxies in the best interest of its clients. Rule 206(4)-6 further requires an adviser to provide a concise summary of its proxy voting process and offer to provide copies of the complete proxy voting policy and procedures to clients upon request. Lastly, Rule 206(4)-6 requires that an adviser disclose to clients how they can obtain information on how the adviser voted their proxies.

The Firm invests in real estate and real estate related assets primarily through its private investment vehicles which generally do not issue proxies. Accordingly, as Clients do not hold publicly traded equity securities with voting rights, the Advisor does not have an opportunity to vote proxies on behalf of its Clients. In the event this were to change, we will implement policies and procedures to vote such proxies in accordance with the Firm's fiduciary duty and in the best interests of Clients.

Item 18 – FINANCIAL INFORMATION

The Firm does not require or solicit prepayment of more than $1,200 of management fees six months or more in advance; has no financial condition reasonably likely to impair its ability to meet contractual commitments to clients or investors; and has not been the subject of a bankruptcy proceeding.