Form ADV Part 2A: FIRM BROCHURE

AFFINIUS CAPITAL MANAGEMENT LLC

as of May 16, 2024

277 Park Avenue
39th Floor
New York, New York 10172
Tel: (212) 605-1000
www.affiniuscapital.com

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

If you have any questions about the contents of this Brochure, please contact us at compliance@affiniuscapital.com or (212) 605-1000. 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 Capital Management 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 Advisor 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 by email at compliance@affiniuscapital.com; by calling us at 212-605-1000; or by visiting our website at www.affiniuscapital.com.

Since the last annual amendment filed on March 29, 2024, Affinius Capital Management filed an other-than-annual amendment to update the primary business office address, as noted on the cover page.

Item 3 – TABLE OF CONTENTS

Item 2 – MATERIAL CHANGES ii
Item 3 – TABLE OF CONTENTS iii
Item 4 – ADVISORY BUSINESS 1
Item 5 – FEES AND COMPENSATION 3
Item 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT 9
Item 7 – TYPES OF CLIENTS 11
Item 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISKS OF INVESTING 12
Item 9 – DISCIPLINARY INFORMATION 36
Item 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS 36
Item 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING 38
Item 12 – BROKERAGE PRACTICES 51
Item 13 - REVIEW OF ACCOUNTS 52
Item 14– CLIENT REFERRALS AND OTHER COMPENSATION 53
Item 15 – CUSTODY 53
Item 16 – INVESTMENT DISCRETION 53
Item 17 – VOTING CLIENT SECURITIES 54
Item 18 – FINANCIAL INFORMATION 54

Item 4 – ADVISORY BUSINESS

Advisor Description

The Advisor was founded in 2002 and 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, formerly known as USAA Real Estate Company, LLC, was founded in 1989. The Advisor is affiliated with Affinius Capital Advisors LLC ("Affinius Capital Advisors"), an advisor separately registered with the SEC and also a subsidiary of Affinius Capital. Affinius Capital owns a participating affiliate subsidiary and other 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 (together with employees of Affinius Capital, collectively, "Affiliates"), some of which serve as the general partner or managing member ("General Partner") of a Client (defined below).

The Advisor provides flexible equity and debt capital solutions across property sectors and the risk spectrum. The Advisor's debt platform provides customized capital solutions for real estate owners and developers. The Advisor's equity platform seeks to identify the impact of long-term trends on real estate values and targets its equity investments to benefit from such trends, as well as targeting opportunistic investments in periods of market dislocation. 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. See Item 8 below for a description of our investment strategies and methodology.

Our investment vehicles typically comprise 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"). In our closed-end funds, each investor makes an up-front commitment to contribute a stated amount of capital as called by the Advisor for investment or other fees and expenses, and generally cannot withdraw capital prior to the end of the stated multi-year term of the fund. 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, are referred to as "Related Entities"). See Item 10 below for more information.

The Advisor serves as the investment manager of:

- Real estate-related investment funds exempt from registration under the Investment Company Act of 1940 (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 (collectively, "Co-Invest Entities");
- Separately managed account mandates (collectively, "Separate Accounts", and individually, a "Separate Account"); and

- Entities for making Investments, including limited partnerships, limited liability companies or similar vehicles that are comprised of one of more investors, but which are not organized as Funds (collectively, "Client Entities").

Funds, Co-Invest Entities, Separate Accounts and Client Entities are collectively referred to throughout this Brochure as the "Clients" and each individually as a "Client". Interests in Clients are offered to limited partners or other investors ("Investors"). See Item 7 below for more information on the Advisor's Investors.

Affinius Capital and the Advisor do not participate as a manager in any wrap fee programs.

Advisor Ownership

The Advisor and its Affiliates are directly or indirectly owned by Affinius Capital and are indirect subsidiaries of Affinius Capital's parent company, Holdco. A majority of Holdco's interests are owned by JFLC, LLC ("JFLC" and together with JFLC's direct and indirect owners and their affiliates, including family members and estate planning vehicles (collectively, the "Ownership Entities"). 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. 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 Advisor'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, 2023, the Advisor had approximately $12.4 billion in assets under management ("AUM") on a gross basis and $11.7 billion in net AUM. Approximately $7.5 billion of net AUM is managed on a discretionary basis and $4.2 billion on a non-discretionary basis. Gross AUM represents the gross portfolio value of real estate and uncalled capital net of property level debt managed by us and our joint venture partners; uncalled capital represents $4.0 billion of AUM. Net AUM deducts fund level liabilities and debt and carried interest accrued and paid to the General Partners. Asset figures do not double count assets to the extent that Clients invest in other Clients.

Advisory Services

The Advisor directs and manages each Client's Investments by providing the following types of services (which such services differ across Clients):

- 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 and governed by 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, the "Governing Documents"). While some Investors in a Fund, depending on the circumstances, 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 or joint venture partners negotiate to impose certain restrictions limiting our discretion. Certain Clients are managed on a non-discretionary basis where the Investor or Investors determines whether to execute on our Investment recommendation.

The Advisor has entered into Side Letters or similar agreements that confer additional benefits 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 Advisor'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 entered into include without limitation 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. Subject to the Governing Documents and/or applicable law, these Side Letter rights, benefits or privileges are not typically made available to all Investors in the same Client, consistent with all the Governing Documents. Commencing in September 2024, the Advisor will make disclosure of certain Side Letters to Investors (and in certain cases, to prospective investors) as required under the new Private Fund Rule (defined below). Side Letters are typically negotiated prior to the relevant Investor's commitment to a Fund. Once invested in a Fund, Investors generally cannot impose additional investment guidelines or restrictions on such Fund. There can be no assurance that the Side Letter rights granted to one or more Investors will not in certain cases disadvantage other Investors.

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, performance-based compensation (often referred to as a promote, carried interest or an incentive fee) and other fees related to the Advisor's

management of Client Investments, in each case in accordance with a Client's Governing Documents and as more briefly described below. Differences in 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 Advisor or a Client, on occasion, has negotiated to share with or receive a percentage of certain fees with its Affiliates or joint venture partners. The share of compensation earned by the Advisor or its Affiliates varies among Investors pursuant to the terms of the Governing Documents.

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 and expenses charged by Affinius Capital, the Advisor and/or its Affiliates for their advisory and other services. Fees are generally agreed upon at the time of the establishment of the relevant Client and negotiated with participating Investors before their Investment. Specific details of such compensation and its calculation methodology are set out in the Governing Documents for the relevant Client. There are instances where the Advisor has granted certain preferential terms to Clients and/or Investors resulting in fees lower than those applicable to other Investors. Fees and expenses are paid by the Client to the Advisor by either 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 is paid indirectly by 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 and the life-cycle of 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 Affiliates, Related Entities, Ownership Entities, Investors in co-investment vehicles and Investors that commit larger amounts of capital.

Generally, Investors participating in a subsequent closing after the initial closing of a Fund are responsible for paying the management fee as of the date of the initial closing of such Fund, plus interest, as applicable. In addition, management fees are payable during term extensions unless otherwise agreed to with Investors. Management fees are paid by the Client using available cash of the Fund or by calling capital from Investors. The 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. Management fees are prorated for any partial period. If a Client terminates its advisory relationship with us, in accordance with such Client's Governing Documents, any pre-paid management fees will generally be prorated for the period during which we have served as investment adviser to such Client, and a refund issued for any remaining days.

For most Clients, the amount of management fees will not correspond with fluctuations in a Client's net asset value and will not be reduced in connection with any write-downs, except in the case of Investments that have been permanently written down. Except where the Governing Documents expressly provide to the contrary, management fees will not be reduced (in whole or in part) in the case of partial distributions or partial sales of Investments. In addition, management fees generally will not be reimbursed or

refunded under the Governing Documents in the event of realizations, dispositions or partial write-downs that occur partway through the relevant calculation period. Further, where there has been a partial disposition or permanent write-down of a Client's Investment and the fair market value of the Investment following such event exceeds the total amount of the Client's Investment contributions relating to the Investment, the Governing Documents do not require management fees to be reduced.

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 Affiliates, Ownership Entities, Related Entities and/or certain Investors.

Other Fees

In addition to the management fees and performance-based fees paid to the Advisor or an Affiliate, Investors in a Client also typically indirectly pay a variety of other fees to third parties, the Advisor and/or its Affiliates as stipulated in each Client's Governing Documents. Examples of these other fees paid by a Client (and 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.

- 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.

- 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.

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

- Loan Origination, Processing, Administration, Assumption or Servicing Fees: Fees for originating, processing, overseeing assuming and servicing 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 to perform non-investment advisory services which might otherwise be performed by unaffiliated third parties, including sourcing, development, development management, infrastructure support, construction management, construction oversight, general leasing, property management and asset management of Investments and consulting, leasing, legal, tax and accounting services and other services ancillary to the acquisition, development, ownership, management, operation and disposition of real property of a Client (collectively, "Affiliate Services"). Affiliate Services are provided as set forth in a Client's Governing Documents. While the Advisor and its Affiliates 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 Advisor to engage itself and/or its Affiliates 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 or otherwise reduce, the management fee, carried interest, or other fees received by the Advisor or its Affiliates.

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. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by Advisor personnel. These fees are in addition to the fees paid by the Client to the Advisor and/or its Affiliates and, as such, will not offset the management fee, carried interest or other fees received by the Advisor or its Affiliates.

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 Affiliates and Investors participating in early closings);
- Unrelated entities that invest through a General Partner; and
- Ownership Entities and Related Entities.

Such Clients or Investors generally pay their pro rata share of certain Client expenses.

Co-Investment Fees and Expenses

The Advisor, in its discretion, permits Investors, Affiliates, Ownership Entities, Related Entities and 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. Ongoing operating expenses related to consummated 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.

As described in a Client's Governing Documents, in the event a deal is not consummated, the relevant Client will generally bear the costs of such broken deal expenses, including broken deals for which there were potential co-investments. In certain instances, costs and expenses incurred in connection with the sourcing and diligence of a potential investment that is ultimately not consummated will be allocated to the Client that opted in to the pursue the potential investment and was awarded the opportunity to pursue the potential investment. As an exception, Investors who are contractually committed to participate in a co-investment opportunity will generally bear their share of broken deal expenses. Co-Investors who commit to a transaction after a Client signs a definitive purchase agreement will lower the risk of broken deal or similar expenses incurred by such Client (and indirectly, by such Client's Investors) in connection with such transaction based on the timing of when a Co-Investor becomes contractually obligated to invest. See Item 8 for more information regarding conflicts of interest with regard to co-investment opportunities, including co-investment activities of the Advisor, and its Affiliates, Related Entities and Ownership Entities (collectively, "Affiliated Entities").

Expenses

The Clients we manage and advise, and therefore the Investors in those investment vehicles, are responsible for paying various expenses, costs and fees, liabilities and obligations 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 Affiliates, subject to a Client's Governing Documents, and others are provided by third parties. Such expenses, costs and fees are generally incurred by us or an underlying Investment and are then reimbursed by the Client.

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

- Expenses, costs and fees related to the diligence, formation, organization, operation, maintenance or dissolution of a Client and its subsidiaries or parallel funds, including external and internal legal, tax and administration 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, administrators, appraisals, tax, tax advisory, filing fees and expenses, printing costs, name changes, and reporting;
- Capital raising and marketing activities, including sourcing and diligence with respect to Investors;
- Fees, costs, taxes and expenses related to identifying, investigating, purchasing, closing on, holding, monitoring, managing, 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 trade association dues or attending trade association or industry meetings, conferences or similar meetings; 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;

- Except where the relevant Governing Documents or Side Letter(s) expressly provide to the contrary, 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 or its 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, and cash payments related to preferred interests;
- Expenses associated with portfolio and risk management, including those incurred in connection with derivative transactions for hedging purposes;
- 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;
- Costs associated with the management and operation of Investments, including salaries of on-site or dedicated personnel of Affiliate or third-party property managers;
- 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 Advisor's brokerage practices and related costs or fees).
- Costs related to risk management services and insurance for the Advisor, Affiliates and the Client entities (including, for the avoidance of doubt, 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 and 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;
- Research and 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, regulators and other governmental agencies, including the SEC, U.S. Commodity Futures Trading Commission ("CFTC") and European Union Alternative Investment Fund

Managers Directive ("AIFMD"), 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-U.S. 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, including services performed by the third-party administrator; 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, multiple Clients, Affinius Capital, the Advisor, an Affiliated Entity, an Investment or some combination of the foregoing. To the extent that the Governing Documents do not expressly provide for a method of allocation or to the extent that an invoice does not relate solely to a specific and individual Client, we typically allocate such expenses among multiple Clients and other relevant entities on a pro rata basis unless another method is more fair and equitable across these vehicles. 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.

The allocation of expenses can create potential conflicts of interest and can result in a non-pro rata allocation of expenses, and any such determinations involve inherent matters of discretion, e.g., in determining which Clients or co-invest vehicles benefit (or the extent to which they benefit) from the relevant service relating to the expense, or whether to allocate pro rata based on number of Clients or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Client or the Advisor. 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. The existence of performance-based fees has the potential to create an incentive to manage the relevant Client or Investment in a riskier, more speculative, or other manner that is less favorable to Investors than if such performance-based fees did not exist. However, we believe these types of structures attempt to align the Advisor'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") or time weighted return ("TWR") in relation to a stated return objective, whether that be a target fixed return, a stated benchmark's return, or other such hurdle.

The Advisor 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, Affiliated 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 Advisor 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 Advisor believes in good faith to be fair and reasonable. In determining a fair and reasonable allocation between various Clients, the Advisor will apply its allocation and rotation procedures. It is possible that the application of these procedures 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 Advisor's Investment recommendations are created, reviewed and approved in accordance with the investment guidelines as defined in each Client's Governing Documents. These recommendations, 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 Advisor's relevant Investment Committee (each an "Investment Committee" and collectively, the "Investment Committees"), each of which consists of the Advisor'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 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;
- Ownership Entities, Related Entities and Affinius Capital personnel; 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, as defined in the Securities Act of 1933;
  - qualified purchasers, as defined in the Investment Company Act;
  - qualified clients, as defined in the Advisers Act; and/or
  - knowledgeable employees, as defined in the Investment Company Act.
- Non-U.S. investors that meet comparable qualifications in the relevant jurisdiction.

Investors must also meet certain other suitability qualifications prior to making an investment in a Client. 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 Advisor provides commercial real estate advisory services focused on debt and equity investments, investing across the risk spectrum and capital structure in various ventures and properties located in the U.S., and to a lesser extent, in non-U.S. markets. The Advisor focuses on risk-adjusted returns in credit and opportunistic Investment strategies. Credit investments generally consist of first mortgage loans and subordinated loans including B-notes, mezzanine debt, B-Pieces and other tranches of commercial mortgage-backed securities ("CMBS") backed by high quality commercial real estate. Investments are originated based on market conditions; and for certain loans products, are acquired. Loans are backed by stabilized properties, properties with a value-add component and ground-up construction projects.

Opportunistic strategies capitalize on distress or dislocation in the market or tactical market opportunities including those driven by declining values and increased liquidity needs such as:

- Preferred equity strategies;
- Opportunities to recapitalize or re-equitize and de-lever existing transactions (e.g. through preferred equity and other "gap capital" solutions);
- Opportunities to acquire assets or debt secured by assets at attractive valuations;
- Investments in real estate assets, with a focus on assets either benefiting from or essential to service long-term shifts in consumer behavior and/or corporate requirements driven by technological or other innovation; and
- Investments in real estate operating companies and scalable programmatic partnerships.

The Advisor aims to discern the intrinsic value of underlying assets considering macroeconomic forces and regional and local impacts, and to structure each prospective Investment with the flexibility to optimize potential upside while also reducing downside risk.

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. 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 premium, workforce and affordable

housing. 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.

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.

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.

Life Sciences. Our life sciences strategy focuses on developing, financing 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.

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 may entail holding land for extended periods, buying real estate with a current use which will be modified in the future to create additional value or paying a premium to acquire land in future.

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.

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.

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 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 Advisor's overall investing outlook, including with respect to new strategies. 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 areas, 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 an Investment opportunity.

In certain circumstances we use as an additional information source, proprietary, closed-architecture 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 our understanding of relative investment risk across U.S. metropolitan statistical areas and assist in the investment qualifying process. These tools also help us incorporate downside protection measures at the asset level in connection with underwriting, due diligence and property operations.

Memos on a potential Investment or loan are submitted to the Advisor's relevant Investment Committee for review and consideration. A memo 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 initial platform equity and debt investments and dispositions.

Derivative Investments

Derivatives can be used to hedge certain interest rate or currency exposures and are not used for speculative purposes. The Advisor 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 Advisor'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 a Client or of engaging us to manage or advise on an Investment. 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, the Middle East 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;
- Pandemics;
- 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 Advisor'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 Advisor'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 Advisor and can differ materially. Clients have no assurance that the Investments made by the Advisor 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 can 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 have income linked to inflation, whether by regulation or contractual arrangement or other means. However, as inflation can 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. A 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. Concentration in a certain country, region, market, sector or asset class can also result in the risk of a less 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.

Certain banking events in the United States have caused uncertainty for financial services companies and fear of instability in the global financial system generally. In addition, certain financial institutions, including smaller and/or regional banks, experienced volatile stock prices and significant losses in their equity value, creating concern that depositors at these institutions have withdrawn, or will withdraw in the future, significant sums from their accounts at these institutions. Notwithstanding intervention by U.S. governmental agencies to protect the uninsured depositors of banks that closed, there is no guarantee that the uninsured depositors of a financial institution that closes (which depositors could include a Fund or a Client) will be made whole or, even if made whole, that such deposits will become available for withdrawal immediately. 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 (whether on a temporary or long-term basis) 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 Client'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 Client generally also will result in fees, interest expense and other costs to such Client that may not be covered by distributions made to such Client or appreciation of its investments. While Client-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 Client generally is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other Clients and entities managed by the Advisor or any of its Affiliates, including through Client 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 a Client will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Client incurs leverage (or provides such guaranties), such amounts are permitted to be secured by commitments made by such Client's Investors and such Investors' contributions may be required to be made directly to the lenders instead of such Client.

Subscription Lines

A Client generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition, financing or refinancing of the Client's Investments as well as to consolidate or make less frequent capital calls to Investors). Client-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 Client fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any Investor claim against the Client would likely be subordinate to the Client's obligations to a subscription line's creditors.

In addition, Client-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 Client'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 Client's cost of borrowing, Client-level borrowing can negatively impact an Investor's overall individual financial returns even if it increases the Client's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Client-level borrowing typically delays the need for Investors to make contributions to a Client, or results in short-term gains to a Client, which in certain circumstances enhances the relevant Client's 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 Client's carried interest arrangements will be met. An Investment financing from a subscription line, rather than from a Client-level equity commitment has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Client-level borrowing can increase the base of a Client'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. Because management fees are incurred whether an Investment is financed through capital calls or borrowings, and a Client's preferred return typically does not accrue on outstanding borrowings, the Advisor has an incentive to cause the Client to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Client-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Client's investment period, and cause or defer a related change in the basis of the relevant Client'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 Clients) 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 Client 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 Client 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 Client or impose concentration or other limits on the Client's investments, and/or financial or other covenants, that could affect the implementation of the Client's investment strategy. In addition, in order to secure a subscription line, the Advisor may request certain financial information and other documentation from Investors to share with lenders. The Advisor 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 Client subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Client, resulting in a potential net benefit to the Client, or additional potential liquidity constraints or other burdens on the relevant portfolio Investment or Client subsidiary.

Client-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 Advisor called smaller amounts of capital incrementally over time as needed by a Client. 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 Client-level borrowing to pay management fees and to reimburse the Advisor for expenses incurred on behalf of the relevant Client. A Client is also permitted to utilize Client-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 Client 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 Client 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 Client. Subject to any limitations in the Governing Documents, this scenario potentially incentivizes the Advisor to permanently fund the acquisition and ongoing capital needs of a Client'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).

Investment- and Intermediate Entity-Level Borrowing

Under the Governing Documents, certain Clients are authorized to incur indebtedness that is secured by any assets of the Client (e.g., asset-based borrowing, as well as "back leverage" and net asset value (NAV) facilities), and is permitted directly or indirectly through one or more intermediate entities (e.g., special purpose vehicles) to incur indebtedness, including to borrow money from any person, to make guarantees or provide other credit support to any person or to incur any other obligation (including other extensions of credit). Indebtedness is permitted to be incurred for any purpose relating to the activities of the Client, including without limitation to: finance any investment-related activities of the Client; increase the buying power of the Client; provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for Client expenses or fund the payment of management fees; make, hold or dispose of Investments; provide financing or refinancing; fund the payment of amounts to withdrawing limited partners; fund distributions to the partners; and/or provide collateral to secure outstanding letters of credit or to create reserves, in each case in accordance with the Governing Documents. Additionally, a Client is expected to enter into letters of credit in support of one or more of its investments, including for the purposes of such Client agreeing to fund additional equity financing or capital expenditures into an Investment (regardless of who the beneficiary to such letter of credit may be) at a certain time or upon the occurrence of a certain event.

Although in many cases the Governing Documents impose limits on borrowings at the Client level, Investments and intermediate entities generally do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments.

Cross-Guarantees and Cross-Collateralization

In certain circumstances a Client and/or its Investments are permitted to enter into cross-collateralization arrangements with other Clients and/or investment vehicles, accounts or clients managed by, sponsored by, or affiliated with, certain 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 is expected to 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 the 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 the 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, a 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 because an Investment is subject to certain insurance limitations, including large deductibles or co-payments. Should an uninsured loss or a loss in excess of certain 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 Advisor 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 Advisor at the time of making an Investment decision could be limited and no assurance can be given that the Advisor will have knowledge of all circumstances that could adversely affect an Investment. In addition, the Advisor 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 are permitted to enter into hedging transactions. While such hedging transactions can reduce such risks, they can also 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.

International Conflicts

Wars and other international conflicts, such as the Israeli-Palestinian conflict and the ongoing military conflict between Russia and Ukraine have caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and

other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses. However, the ultimate impact of these conflicts and their effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Advisor, its Clients, or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

These conflicts may have a significant adverse impact and result in significant losses to the 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 any Client intends to pursue, all of which could adversely affect the 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 Advisor 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 the Advisor expects to be subject to competing demands from different investors and stakeholder groups with divergent views on ESG (including the role of ESG factors in the investment process). There is no guarantee that the criteria utilized by the Advisor, or any judgment exercised by the Advisor, will reflect the belief, values, internal policies or preferred practices of any particular Investor or other asset manager or reflect market trends. In addition, the Advisor' ESG practices are expected to evolve over time. Although the Advisor views the integration of ESG factors to be an opportunity to potentially enhance or protect the performance of its investments over the long-term, the Advisor cannot guarantee that its ESG practices will positively impact the performance of an individual Investment or Client.

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. For avoidance of doubt, however, the Advisor does not expect to subordinate a Client's investment returns or increase a Client's investment risks as a result of (or in connection with) the consideration of any ESG factors. The materiality of ESG factors depends on many factors, including the relevant industry, location, asset class, and investment strategy. ESG factors, issues, and considerations do not apply in every instance and will vary by Client and Investment. In addition, in evaluating an investment, Advisor expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause Advisor to incorrectly assess a company's ESG practices and/or related risks and opportunities. Advisor does not intend independently to verify all ESG information reported by investments or third parties.

Additionally, market pressures, including the potential adverse reaction by Investors and other participants in the investment industry to the application of ESG factors to investment processes

could result in tensions, conflicts of interest or other potential issues as sponsors navigate how to balance competing interests with respect to ESG considerations. Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by asset managers. Advisor's adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding how asset managers identify and manage financially material ESG risks, as well as how they define and measure ESG performance. At the same time, anti-ESG sentiment has also gained momentum across the U.S., with several states and Congress having proposed or enacted "anti-ESG" policies, legislation, or initiatives or issued related legal opinions. the definition, measurement and disclosure of ESG factors. Advisor and its related practices could become subject to additional regulation, regulatory scrutiny, penalties or enforcement in the future, and Advisor cannot guarantee that its current approach to any related practices will meet future regulatory requirements, reporting frameworks or best practices, increasing the risk of related enforcement. Compliance with new requirements is expected to lead to increased management burdens and costs.

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 Advisor 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 Advisor 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 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.

Uncertain Economic, Social and Political Environment

Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Client and its Investments to execute their respective strategies. This may slow the rate of future investments by such Client and result in longer holding periods for Investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Client’s Investments.

Reliance on Key Personnel

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

Reliance on Joint Venture Partners and Other Third Parties

Some Investments are made through joint venture partnerships, Co-Invest Entities, Client 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 Advisor 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 Advisor, 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 a 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 Advisor 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 Advisor's, the General Partners', the Clients'

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.

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 Advisor 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.

From time to time as a regulated entity, the Advisor may be subject to regulatory inquiries, information requests, examinations, investigations, and similar matters by regulatory and governmental agencies. Affinius Capital routinely cooperates with such requests and as a general matter, does not disclose the details of these inquiries and investigations until there are findings or conclusions. Where applicable, the Advisor will disclose regulatory matters as required.

Enhanced Scrutiny and Potential Regulation of the Private Investment Fund Industry

The SEC has enacted changes to numerous areas of law and regulation that are expected to impact the business of the Advisor and its Clients. In particular, the SEC has increased emphasis on investment adviser and private fund regulation and has both adopted and proposed a number of new rules that are expected to 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 Advisor and its Affiliates, and Clients and/or their Investments, as well as increasing expenses. Significant time and resources are expected to be required to comply with the new regulations.

On August 23, 2023, the SEC adopted new rules and amendments (collectively, the "Private Fund Rule") to existing rules under the Advisers Act specifically related to advisers to private funds. In particular, the Private Fund Rule (i) requires quarterly reporting by registered private fund advisers to investors concerning performance, fees and expenses; (ii) requires registered investment advisers to obtain an annual audit for private funds; (iii) requires registered investment advisers to obtain a fairness opinion or a valuation opinion and make certain disclosures in connection with adviser-led secondary transactions; (iv) imposes limitations and new disclosure requirements regarding preferential treatment of investors in private funds in Side Letters or other arrangements with the adviser; and (v) prohibits advisers to private funds from taking certain actions without providing disclosures to investors and, in some cases, without obtaining investor consent. The Private Fund Rule is expected to have a significant effect on the Advisor, the Funds and their operations, including increased compliance burdens and associated regulatory costs, increased investor reporting and disclosures to investors, enhanced risk of regulatory action and additional regulatory uncertainty. Significant time and resources are expected to be required to comply with the Private Fund Rule, which potentially will detract from the time and resources dedicated to the Clients.

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 Advisor 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 Advisor 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 Advisor, 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 certain Clients, including by affecting the range of investments and strategies a Client is able to pursue and limiting the territories in which a Client 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 that were finalized in 2022 and 2023. 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 Advisor 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 Advisor 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 Advisor 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.

Anti-Bribery, Economic and Trade Sanctions

Economic sanction laws in the U.S. and other jurisdictions where the Advisor operates could prohibit the Advisor, 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 Advisor 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 Advisor 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 Advisor's policies and procedures, in the case of joint ventures or other instances where the Advisor or its Affiliate does not fully control an Investment, such other entities or persons could engage in activities that could result in FCPA violations.

Sanctioned Investors

If after subscribing to a Client, an Investor is included on a list of prohibited persons maintained by a relevant regulatory or governmental authority (including OFAC or equivalent non-U.S. authorities) (a "Sanctions List"), the Advisor will have the sole discretion to determine the resolution, remedy and manner of compliance of the Client with applicable laws, including without limitation, a "freeze" on distributions and/or capital calls from the relevant Investor and reporting to the relevant authorities. Adverse actions by any such authorities, including temporary or permanent stays or holds on the Client's activities, could materially and adversely affect the Clients.

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 certain Clients 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) 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 Clients 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 Client and/or other investment vehicles, result in a greater exposure to one or more particular 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 Client 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 Client 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 Client, 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 Client 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 Client and its Investors. There can be no assurance that any such transaction will accurately reflect the fair market value of the 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 Client, 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 Client 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 Client advisory committee (to the extent a Client 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 Investments, to the extent such transactions are not consummated, the Client 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, 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 Investment as well as the ability to source, manage and divest Investments and achieve a Client's investment objectives, all of whichcould result in significant losses to the Client.

Item 9 – DISCIPLINARY INFORMATION

The Advisor 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 Holdco, we are affiliated with various real estate and financial services firms including those discussed below. The Advisor 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 Advisor 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.

U.S. Affiliates

Affinius Capital Advisors is a wholly owned advisory subsidiary of Affinius Capital and an affiliate of the Advisor. Affinius Capital Advisors is registered with the SEC as an investment adviser and is an institutional real estate investment manager and developer.

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 Clients 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.

IDR Investment Management, LLC ("IDR"), was a subsidiary of Affinius Capital until April 18, 2023. The Advisor's interest in IDR was transferred in April 2023 to Emphasis Capital LLC ("Emphasis Capital"), an entity that is not affiliated with Affinius Capital. Emphasis Capital is indirectly owned by entities that include entities controlled by Bridger Holdings, Davidson, Wolff, O'Donnell, Solomon and USAA, none of which have a controlling interest in Emphasis Capital. Emphasis Capital has an SEC registered

investment advisor, Accordant Investments LLC "Accordant", with which Affinius Capital has a strategic relationship.

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 Holdings 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.

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.

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

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 Advisor 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 both the U.S. registered entity relying on its services and the SEC.

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

Other Relationships

The Advisor 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 are typically 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 will 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 make referrals. At no time will we accept any benefits, gifts, entertainment or other arrangements that are conditioned on directing business to a specific vendor 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 Advisor 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.

Commodity and Derivatives Trading Activities

The Advisor claims an exemption from the registration requirements applicable to CPOs under CFTC Rule 4.13(a)(3) with respect to certain Clients (see discussion in Item 8 above).

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

Code of Ethics and Employee Personal Trading

The Advisor has 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 certain employee personal securities transactions;
- Pre-clearance and reporting of outside business activities;
- Pre-clearance 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. 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 Compliance Department. 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.

While not expected to be frequent, it is possible the Advisor may come in contact with material non-public information through business activity. 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 Advisor maintains a restricted list of issuers about which it has or may have material nonpublic information and employees are required to seek pre-clearance for trading in such restricted list securities.

The Code is available to any existing or prospective Investor upon request by contacting the Advisor's Compliance Department at (212) 605-1000 or compliance@afffiniuscapital.com.

Managing Conflicts of Interest

We act in a variety of capacities on behalf of our Clients, utilize various Affiliates to provide services to the Advisor and Clients, and Affiliated Entities have interests in the Advisor, its Affiliates, Investments 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 Advisor or to the broader alternative investments industry can be identified, as well as conflicts of interest that arise or increase in materiality as the Advisor develops new investment platforms or business lines, enters into new business relationships with Affiliates, 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 Advisor, and/or its Affiliated Entities have an incentive to advance one interest at the expense of another, which might mean an incentive to serve the interest of the Advisor or an Affiliated 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 Advisor 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 certain conflicts and how they are managed. To the extent that we identify conflicts of interest in the future, we may, but are under no obligation, to disclose these conflicts and their implications to Investors through a variety of channels, including in subsequent Brochures or in other written or oral communications to the advisory committees or to Investors more generally. However, Investors are not entitled to receive notice or disclosure of the actual occurrence of conflicts nor do Investors have any right to consent to conflicts as they arise except as otherwise required by law or in the Governing Documents.

Advisory Committee

Certain Clients' General Partners will appoint one or more Investor representatives to an advisory committee, 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 committee, regardless of whether an Investor is directly represented by a member of such advisory committee. The Governing Documents will provide that to the fullest extent permitted by applicable law, none of the advisory committee members shall owe any fiduciary duties to the Clients or any other Investor. Members of the advisory committee may

have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to the advisory committee for consideration or review. Members of the advisory committee often have various business and other relationships with the Advisor, its Affiliates and/or Related Entities. These relationships have the potential to influence their decisions as members of the advisory committee, 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 committee, such Investor will have no influence over matters submitted to the advisory committee for review or approval. Finally, advisory committee members may choose to abstain from voting on certain issues, which means that certain votes and issues could be decided only by non-abstaining members and less than a complete group of advisory committee members. 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 committee will also be a member of another Client's advisory committee. In such instances, a conflict of interest could be deemed to exist if an advisory committee is requested to provide consent with respect to transactions which involve a conflict of interest between two or more Clients on which such advisory committee members serve, and such members would be unlikely to recuse themselves from any such vote.

Holdco Conflicts Committee

Affinius Capital has established a Conflicts Committee at Holdco, comprised of two Independent Directors, which, among other activities, is responsible for reviewing, evaluating, and determining a course of action with respect to material conflicts of interest, including measures for mitigating such conflict.

Allocation of Personnel

The Advisor and our personnel devote such time to a Client as we determine to be necessary. The Advisor'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 Clients, including for our Affiliated Entities. Time spent on these other initiatives diverts attention from the activities of Clients, which could negatively impact Clients and their Investors. Affinius Capital and the Advisor derive financial benefit from these activities, including fees and performance-based compensation. These and other factors create potential conflicts of interest in the allocation of time by our personnel.

Outside Activities of Principals and Personnel

Certain of our officers and personnel 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 Advisor. We could also be restricted from acquiring or disposing of Investments on behalf of a Client if an officer or other personnel obtain 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 personnel are permitted in certain situations to invest in alternative investment funds, private equity funds, real estate funds and other investment vehicles of the Advisor, its Affiliates and Related Parties and third parties, as well as securities of other companies, some of which could be considered competitors of the Advisor, 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 personnel's financial incentives in relation to a Client. Certain 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 Advisor 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 Advisor and Its Affiliated Entities

The Advisor and/or its Affiliated 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 Advisor and Affiliated 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 have the potential to arise related to the allocation of Investment opportunities between the Advisor and/or its Affiliated 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 Affiliates and 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 Affinius Capital, the Advisor 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 in or counterparties to Investments. These relationships have the potential to influence the Advisor in deciding whether to select or recommend any such advisor or service provider to perform services for a Client or an Investment. The Advisor generally seeks to engage advisors and service providers in connection with Investments or Clients 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 Advisor believes to be of benefit to a Client. The advisors and other service providers could charge the Advisor or its Affiliated Entities rates or other terms that are different and more favorable than those provided to a Client.

Strategic Relationships

Advisor 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 Advisor'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 economic interests in a Client and/or are not afforded to other Investors. Such arrangements 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. Such additional rights and benefits also include specialized reporting, secondment of personnel from the Investor to the Advisor or training of Investor personnel, rights to participate in the Investment review and evaluation process, as well as priority rights for co-investments alongside Funds, including, without limitation, preferential allocation and 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. In certain circumstances, Related Entities and Ownership Entities have made an investment in a Strategic Investor's investment platform or product.

Buying and Selling Investments from Certain Affiliated Entities

Clients, Investors, and Affiliated 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 an Affiliated 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 an Affiliated 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 potential conflicts of interest, as there are different financial and other incentives, and we will receive fees and

other benefits, directly or indirectly, from or otherwise have interests in both parties to the transaction.

With respect to a Seed Portfolio, a fair and reasonable price is in certain cases determined to be a price equal to cost, plus a "cost of carry" and in other cases, is based upon an independent third-party valuation.

A Related Entity Transaction is undertaken only if: (i) we determine the transaction to be in the best interest of participating Clients; (ii) proper disclosure as required by the Governing Documents given to all required parties; (iii) consent is obtained from the appropriate parties as required under the relevant Governing Documents and applicable law; and (iv) 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 at a sale price that is similar to the price if such Investment were sold to a third party.

Transactions with Affiliates and Related Entities

The Advisor and/or Clients from time to time engage in transactions with Affiliates and Related Entities by performing services to or receiving services from Affiliates or by investing in entities in which 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 Advisor to be fair and reasonable.

Ownership Entity and Related Entity Participation or Interest in Client Transactions

Certain Ownership Entities and 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 Advisor, Clients, Investments or Investors, and give rise to potential or actual conflicts of interest. For example, certain officers, directors or personnel of an Ownership Entity or Related Entity are also (i) direct or indirect owners of the Advisor; (ii) an officer, director, or employee of a company that is a direct or indirect owner of the Advisor; and/or (iii) an actual or potential investor in Investments. Moreover, a Client potentially will purchase or sell assets from or to or otherwise transact with Ownership Entities or Related Entities. To the extent the Advisor determines appropriate for the particular transaction, conflict mitigation strategies are put in place, including internal information barriers or recusal, disclosure or other appropriate steps. Further, Affinius Capital has established the Holdco Conflicts Committee discussed above to review, evaluate, and determine a course of action with respect to Related Entity Transactions, including the approval of such Related Entity Transaction.

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 Advisor or an Affiliated Entity could purchase a portion of a Client Investor's interest.

Conflicts Related to Investing Alongside Affiliated Entities

Certain Clients have an Investment in a joint venture arrangement alongside an Affiliated 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 Affiliated 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 Advisor, or the joint venture arrangement itself can pay a performance-based fee to the Advisor. In either case, the payment of any such fees will not offset the Client's management fee to the Advisor. The Advisor's 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

The Advisor expects to seek co-investment partners for Clients, including co-investments with Investors, other Clients and other parties the Advisor has a material or strategic relationship with, including third parties, Ownership Entities, Related Entities and Strategic Investors. The allocation of co-investment opportunities is entirely and solely in the discretion of the Advisor. Our discretion in allocating co-investment will be guided by the Governing Documents, Side Letters and our compliance policies and procedures. The allocation of co-investment opportunities could, in certain circumstances, result in no allocation or a smaller amount of co-investment opportunities than the amount requested by a Co-Investor. Co-investments offered by the Advisor 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 Advisor 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 Advisor. 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 Advisor 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 Advisor 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 potential Co-Investor has negotiated for preferred co-investment priority rights in a Side Letter or otherwise;
- 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 Advisor'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 Advisor'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 Advisor, Clients, or the particular Investment;
- Whether a potential Co-Investor has a history of participating in co-investment opportunities with the Advisor, 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 Advisor 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 Advisor or intends to increase such amount;
- Whether the potential Co-Investor has an overall strategic relationship with the Advisor 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 Advisor 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 Client, and the Advisor expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Client because (i) co-invest opportunities generally appeal to Investors and third parties, (ii) to the extent co-investments made by 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 Client's Governing Documents, to the extent applicable.

In order to facilitate the acquisition of an Investment, a Client 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. Co-investments typically involve investment and disposal of interests in the applicable Investment at the same time and on the same terms as a Client making the Investment. However, from time to time, for strategic and other reasons,

a Co-Investor purchases a portion of an Investment from a Client after such Client has consummated its Investment (also known as a post-closing sell-down or transfer). Any such purchase from a Client by a Co-Investor generally occurs shortly after the Client's completion of the Investment to avoid any changes in valuation of the Investment; however, in certain instances, a post-closing sell-down or transfer could occur well after the Client's initial purchase. When Co-Investors purchase their interest from a Client after the Client has consummated the Investment, the price paid by Co-Investors is typically determined by the Advisor in its sole discretion. Where appropriate, and in the Advisor's sole discretion, the Advisor reserves the right to charge interest on the purchase to the Co-Investor or otherwise equitably to adjust the purchase price under certain conditions, and to seek reimbursement to the relevant Client for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Client. The price may not reflect the full cost incurred by the Client in connection with the Investment, any interest charge on the co-investment amount, the cost of establishing the credit facility utilized to acquire the Investment (if applicable) or the risk borne by the Client in connection with purchasing and warehousing the Investment.

In such event, the relevant Client 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 Client'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 Client 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 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 Client's return from a transaction would be equal to and not less than another Client 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 Advisor 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 Advisor believes in good faith to be fair and reasonable to its Clients under the circumstances over time and considering relevant factors. 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. Additionally, Advisor's allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others.

Side Letters

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.

Personnel Investors

Certain of our current and former personnel, Ownership Entities, or Related Entities have invested in certain Clients or Investments, including as part of our investment commitment to such Client. Subject to the applicable Governing Documents, 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, personnel 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, or other personnel, have an interest. We believe that the Code and other policies and procedures help manage these risks. We also believe that personnel Investments in Clients align the interests of our Advisor and personnel with those of Clients and Investors.

On occasion, such personnel leave the employment of Affinius Capital yet retain their interests in a Client and/or Client Investment. Some of these personnel may transition to work for a competitor or service provider of the Advisor. The Advisor has discretion as to whether to buy back such personnel's interest.

Conflicting Fiduciary Duties to Other Clients

Certain 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 Advisor or an Affiliate 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. As an investment adviser, the Advisor owes a fiduciary duty to all its Clients. The Advisor will face a conflict of interest in the event that (i) a Client acquires an equity interest in an Investment in which another Client holds or is acquiring an interest or (ii) a Client purchases debt instruments of an Investment that another Client holds or is acquiring equity in, or vice versa. In such instances, the Advisor has the potential to 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 potential 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 are expected to 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 Advisor’s control.

Where the management fee is calculated based on the valuation of an Investment, or a determination of whether an Investment has been written-off or otherwise permanently impaired, the Advisor will have an incentive to make determinations that result in the continued payment of the, or a higher, management fee. In situations where the management fee is calculated based on committed capital, contributed capital or the cost basis of Investments, the management fee generally will not be reduced based on reductions in Investment value. Absent bad faith or manifest error, valuation determinations in accordance with the Advisor’s valuation policy will be conclusive and binding. Moreover, because we will determine in our discretion the value of any such assets, we will have an apparent conflict of interest in making that determination, given the potential impact of such valuations on a Client’s performance results. 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 Advisor to the extent any valuation proves to not accurately reflect the realizable value of an Investment.

In addition, the Advisor 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 Advisor's efforts to attract new investors to the Advisor. 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 and Fees from Affiliate Service Providers

For some Clients, the Advisor or an Affiliate is entitled to the payment of or reimbursement for Investment-related acquisition, disposition, financing, breakup, development or construction management, capital placement, investment brokerage fees, and loan origination, processing, assumption, oversight or servicing fees. Certain Clients retain us or one or more of our Affiliates to perform Affiliate Services. The Advisor could benefit from these transactions and activities through current income and creation of enterprise value in these businesses. The Advisor believes that this structure can provide specific expertise, familiarity with its strategies, structure, policies and standards, greater control and efficiencies, and reduced costs; however, there are potential conflicts inherent in procuring the services of Affinius Capital or its Affiliates because by undertaking these services, Affinius Capital and/or its Affiliates are entitled to fees, compensation, expense reimbursement and/or promote. In each case, we endeavor, in our sole discretion, to seek reimbursement for or to provide such Affiliate Services at competitive market rates.

In accordance with our efforts to mitigate these conflicts, Affinius Capital will seek to periodically obtain benchmarking data on market comparable rates for certain Affiliate Services. 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. In determining market rates for these Affiliate Services, Affinius Capital will refer to transactions it has entered into for similar services with third party service providers, including data from various public sources or industry relationships and/or fees quoted by independent third parties. 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 are bespoke in nature or require an extensive amount of time or present other novel issues or otherwise present justification for an adjustment of the quoted rate. In addition, benchmarking data is based on general market and broad industry overviews, rather than determined with respect to a specific Investment. As a result, benchmarking data does not take into account specific characteristics of individual assets then owned or to be acquired, or the particular characteristics of Affiliate Services to be provided. Further, it could be difficult to identify comparable third-party service providers that provide Affiliate Services of a similar scope and scale as the Affiliates that are the subject of the benchmarking analysis. Therefore, such market comparisons do not always result in precise market prices for comparable services and compensation for certain employees results in being benchmarked at the top of the market range.

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 parties thereto. 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 Advisor 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 Advisor 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 Affiliated Entity could eventually cause another Client or investment vehicle of an Affiliated Entity to make such Investment. In these circumstances, it is possible that another Client or investment vehicle of the Advisor or an Affiliated Entity 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 or investment vehicle 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 Advisor'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 returns 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. If the use increases the return, 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 Advisor 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 Advisor's operations, including research, due diligence, Investment monitoring, operational improvements and Investment activities, the Advisor and its personnel 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 Advisor'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 Advisor and its personnel) and not by a Client or Investment from which Advisor Information was originally received. Advisor Information will be the sole intellectual property of the Advisor and solely for the use of the Advisor. The Advisor reserves the right to use, share, license, sell or monetize Advisor Information, without offsetting or otherwise reducing 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 programs are expected to vary over 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 reduce or offset management fees.

We have entered into certain agreements under which Client Investments participate in joint purchasing, vendor or similar arrangements. Program participants, including the Advisor and its Affiliates, expect to receive discounts negotiated with various vendors and service providers on a groupwide basis, including but not limited to risk management services and insurance products. Participants receive similar benefits and discounts as the participating Investments. The amount of such discounts will not result in offsets or reductions 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.

Item 12 – BROKERAGE PRACTICES

The Advisor focuses on making investments in real estate-related assets and generally purchases and sells the assets through privately negotiated transactions. 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 our Investments, the Advisor has the authority to negotiate and enter into derivatives transactions on behalf of certain 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 our real estate activities. To the limited extent the Advisor transacts in public securities, it intends to select broker-dealers based upon their ability to provide best execution for the applicable Client taking into consideration a variety of factors, including the Advisor'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 Advisor; the broker-dealer's expertise in dealing with Investments that are restrictive or illiquid in nature; and commission rates, among other factors the Advisor deems relevant to the specific transaction. The Advisor does not select broker-dealers based on Investor referrals.

The Advisor, on behalf of its Clients or other Affiliates, retains the services of real estate or mortgage brokers for the purchase, sale or financing of 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 Advisor 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, Investor approval will generally be required before we can make, modify or dispose of 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 Advisor 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 and track record. The Advisor 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, certain Investors receive additional information and reporting that other Investors do not receive. As a result, certain Investors will have more information than other

Investors. The Adviser will ensure that the disclosure of preferential information rights complies with the Private Fund Rule commencing with its effective date in September 2024.

Item 14– CLIENT REFERRALS AND OTHER COMPENSATION

Economic Benefit from Non-Clients for Advisory Services Rendered

As described in Item 5 above, the Advisor 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 Advisor 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 that are payable by the Client offset dollar-for-dollar against the 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 Advisor 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 Advisor 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 (or will be, for newly formed Clients) delivered to Clients and their respective investors within 120 days of fiscal year end (or earlier as agreed to in the relevant Governing Documents). In addition, upon the final liquidation of a Client whose assets are subject to the Custody Rule and which is subject to audit, the Advisor 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 are encouraged to carefully review such financial statements.

The Advisor does not accept physical custody of any Client assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Called capital is directly deposited or wired into the relevant Client's qualified custodial account. Each Client and Separate Account uses a bank as a qualified custodian for cash accounts.

Item 16 – INVESTMENT DISCRETION

For discretionary Clients, the Advisor 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 on our discretionary authority as described in such Client's Governing

Documents. All limitations and restrictions placed upon the Advisor's authority with respect to an Investor's Investment must be presented to the Advisor in writing and agreed to by all parties.

For Clients managed on a non-discretionary basis, the Advisor 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 as 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 Advisor 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 Advisor's fiduciary duty and in the best interests of Clients.

Item 18 – FINANCIAL INFORMATION

The Advisor 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.