



LUBERT · ADLER
REAL ESTATE FUNDS

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This brochure provides information about the qualifications and business practices of Lubert-Adler Management Company, L.P. and its Relying Advisers. If you have any questions about the contents of this brochure, please contact Michelle Vaughn at mvaughn@lubertadler.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Lubert-Adler Management Company, L.P is available on the SEC's website at www.adviserinfo.sec.gov.

Lubert-Adler Management Company, L.P. is registered as an investment adviser with the United States Securities and Exchange Commission. Registration does not imply a certain level of skill or training.

Item 2. Material Changes

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization, which are included herein.

We believe there have not been any material updates to our Form ADV filing since our last filing on March 29, 2019, however, in the interest of enhanced disclosure, we have updated the firm’s address of our main office. We encourage you to carefully read this document in its entirety.

Item 3. Table of Contents

Item 2. Material Changes	2
Item 3. Table of Contents.....	3
Item 4. General Information about Lubert-Adler	4
Item 5. Fees and Compensation	5
Item 6. Performance-Based Fees and Side-By-Side Management	7
Item 7. Types of Clients.....	8
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9. Disciplinary Information	13
Item 10. Other Financial Industry Activities and Affiliations	13
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	18
Item 12. Brokerage Practices	20
Item 13. Review of Accounts.....	21
Item 14. Client Referrals and Other Compensation.....	21
Item 15. Custody.....	21
Item 16. Investment Discretion.....	22
Item 17. Voting Client Securities.....	22
Item 18. Financial Information	22

Item 4. General Information about Lubert-Adler

Lubert-Adler Management Company, L.P., (“Lubert-Adler”) is a real estate investment management firm co-founded in March 1997 by Ira M. Lubert and Dean S. Adler. Messrs. Lubert and Adler collectively have over 65 years of experience in underwriting, acquiring, repositioning, refinancing and exiting real estate assets and are still active in the management of Lubert Adler.

Lubert-Adler’s investment team consists of more than 18 experienced professionals with strong backgrounds in real estate acquisition, redevelopment, asset management, distressed restructurings, structured finance, and capital markets. Additionally, Lubert-Adler has established an extensive network of industry relationships and strategic third-party operating partners, who are critical in creating real estate transaction flow.

Lubert-Adler provides investment management services to its sponsored private real estate funds including certain permitted investment vehicles, each of which are organized as privately offered pooled investment vehicles (“Funds” or “Lubert-Adler Funds”). The Funds will invest in real estate or real-estate related investments. The Funds will typically have the majority ownership of an underlying joint venture partnership or limited liability company (“Joint Venture Entities”) that invest in the underlying real estate property, and invest in such Joint Venture Entities, alongside with a third-party operating partner and/or co-investor. The Funds typically retain approval rights over certain major decisions, and the operating partners typically control the day-to-day management of the joint venture and receive compensation from these joint ventures for their services. Depending upon the services which the operating partner performs, their compensation may include, but not be limited to an asset management fee, property management fee, leasing fees, development fees, a promote or carried interest, or one or more of such fees. Such compensation paid to these third-party operating partners will not offset Lubert-Adler’s management fees or be treated as “special income.” Sometimes, additional special purpose entities are included in the ownership structure for tax, financing, control or other purposes. Lubert-Adler also serves as a general partner to the Lubert-Adler/Laramar Urban Neighborhood (“Urban Fund”) and the Student Housing Joint Venture, L.P. along with unaffiliated third-party general partners.

Therefore, any references to a real estate investment generally will include direct or indirect ownership in a Joint Venture Entity which, in turn, directly or indirectly owns the real estate. References herein to Lubert-Adler will include, as the context requires, various entities controlled by Lubert-Adler or its partners and entities in which Lubert-Adler provides investment management services, such as affiliated general partners and management companies (i.e., relying advisers).

The Funds are intended only for investment by “accredited investors,” “qualified clients” and “qualified purchasers” as those terms are defined under the federal securities laws. Each Fund’s investment objective includes providing a certain level of returns net of fees and expenses as described in detail in each of the Fund’s offering documents. In pursuit of each Fund’s investment objective, Lubert-Adler utilizes a value-oriented combination of opportunistic acquisition philosophies with value enhancement programs. Lubert-Adler’s advice is generally limited to real estate and real-estate related investments, although certain other types of investments may be utilized in various circumstances.

Lubert-Adler tailors its advisory services to the specific needs of each Fund to the extent that certain investments cannot be held by certain Funds for legal or tax purposes. From time to time, Lubert-Adler will enter into agreements, commonly known as “side letters,” with certain investors under which Lubert-Adler may agree to waive or modify the application of certain investment terms applicable to such investor, without obtaining the consent of any other investor in the Funds, other than such an investor whose rights would be materially and adversely changed by such waiver or modification.

As of December 31, 2018, Lubert-Adler managed approximately \$2,941,890,419 of regulatory assets under management, all of which is on a discretionary basis.

Item 5. Fees and Compensation

Lubert-Adler is generally compensated for advisory services through asset-based management fees and receives performance-based compensation. The specific terms for Lubert-Adler’s compensation by each Fund are dictated by the Fund’s organizational documents including but not limited to the private placement memorandum, limited partnership agreement, term-sheets, operating agreements, and any other applicable agreements provided to Fund investors (collectively known as the “Offering Documents”).

Management Fee – Each Fund pays a management or asset management fee (the “Management Fee”). A Fund’s Management Fee will generally commence on the date of the Fund’s initial closing or the date in which the previous Lubert-Adler Fund is no longer able to invest (that is, the date on which 100% of commitments to the previous Fund have been invested, returned, released or reserved) or may be deferred as noted in the Fund’s Offering Documents and thereafter, will be paid quarterly in advance on the first day of each calendar quarter. The Management Fee will typically be based on the committed capital to a Fund by its investors or on the aggregate equity invested in unsold assets (including an allocable share of Fund expenses related to that asset) minus any permanent and unrecoverable write downs and will vary based on the amounts committed to the Fund by its various investors and the stage of investment cycle of the Fund. In addition, certain Funds will not charge a Management Fee during the Fund’s commitment period as noted in the specific Fund’s Offering Documents. The Management Fee generally ranges from 1% to 2% but may be negotiated lower for certain investors based on the size of the investor’s commitment to a Fund, or if there is an extension of the Fund’s term.

If a Fund’s investment advisory agreement with Lubert-Adler terminates during a period covered by Management Fees paid in advance, Lubert-Adler would pro rate such Management Fee and reimburse the portion of such Management Fee covering the remainder of the period.

Carried Interest - Lubert-Adler will also be entitled to receive a distribution of the investment proceeds from its Funds, generally subject to certain conditions such as the prior return of capital to Fund investors and/or prior payment to Fund investors of a certain rate of return on invested capital (“Carried Interest”). Proceeds available for distribution will consist principally of cash generated from continuing operations of the assets owned by a Fund and the cash proceeds realized on the sale or refinancing of Fund assets. Certain of these distributions are referred to as the “Carried Interest,” and will be paid upon the distribution of investment proceeds in accordance with the Fund’s Offering Documents. A

Carried Interest is charged in compliance with Rule 205-3 under the Investment Advisers Act of 1940, as amended (“Advisers Act”).

Lubert-Adler’s fee compensation will be deducted from the assets or distributions of the Fund as investors will not separately be billed for advisory services.

Lubert-Adler’s compensation for certain permitted investment vehicles will be shared with others in accordance with the disclosures made in the Funds’ Offering Documents.

Certain investors in the Funds, who are generally related persons, employees, officers, and partners of Lubert-Adler, affiliated persons, research consultants and others through their investment in a Fund or in the general partner of such Fund, will not be subject to a Management Fee and/or Carried Interest in connection with their investment in the Funds.

Asset Management Fees – Any asset management fees received by Lubert-Adler from Joint Venture Entities will reduce, unless otherwise disclosed in the Fund’s Offering Documents, the Management Fee of a Fund.

Transactional Fees – The Management Fee for a Fund will be reduced, unless otherwise disclosed in the Fund’s Offering Documents, to the extent that Lubert-Adler receives any acquisition, disposition, directors’, breakup, origination, sales, brokerage, origination, underwriting, investment banking other transaction fees or non-monetary compensation (e.g., stock options and restricted stock awards) in connection with the investments of a Fund. Certain Lubert-Adler Funds, which closed to new investors before May 2001, pay a disclosed disposition fee, which is based upon a specified hurdle rate, and is not offset against the Funds’ Management Fee.

Property Level Fees – Only to the extent authorized by the Fund’s Offering Documents, Lubert-Adler or an affiliate will receive fees or expense reimbursements for property-level services and the establishment and maintenance of neighborhood investment and management offices. A Fund may engage affiliates of Lubert-Adler to perform real estate-related services including development, property management and/or leasing services in connection with the ownership and operation of the Fund’s assets, so long as those services are required by the Fund’s business and are offered at a rate no less favorable than those provided by a third-party, arm’s length transaction. At the election of the Fund’s general partner, any fees payable pursuant to any such agreement will not reduce the Management Fee payable by a Fund. In most Funds, any such potential conflict of interest will be addressed by requiring that a Fund’s executive board (which consists of certain large, non-affiliated Fund investors) to review and approve the terms of the agreement. However, in certain Funds, such real estate services and fees earned from property level services are disclosed in and authorized by the Fund’s Offering Documents from the outset.

Fund Expenses - Each Fund typically pays all offering and organizational expenses including travel, accounting, printing, costs incurred in the connection of negotiating side letters and other organizational activities incurred in the formation of a Fund and its related entities up to a certain maximum limit set forth in the Fund’s Offering Documents.

No commissions, placement fees or other remuneration will be paid by a Fund to Lubert-Adler or to any of its employees in connection with the offering and/or sale of interests in such Fund.

Each Fund will generally pay all operating expenses related to its activities including all

costs related to (i) origination and acquisition of investments, whether or not consummated, including closing costs, placement or sourcing fees, financing fees, legal expenses, travel, entertainment, industry conferences and events, and marketing and advertising costs; (ii) research, due diligence and underwriting including third-party consultants, dues and subscriptions; (iii) holding and exiting investments including custodial services, debt service or interest, legal expenses, asset management software, third-party valuation costs, travel, accounting expenses and systems, insurance, tax advisory expenses, litigation and threatened litigation expenses, and third-party consultants; and (iv) other operating expenses including fund-level leverage, auditing, tax advisory expenses, risk management services or consulting and appropriate insurance coverage for the Funds including, without limitation, premiums for liability insurance to protect the Funds and Lubert-Adler, indemnification costs, taxes and assessments; (v) third-party fund administration (including by independent certified public accountant firms) fees, costs and expenses (including accounting, tax compliance, tax planning, tax return preparation for the Funds, subsidiary entities and the Fund's general partner) reporting, investor communication including all portals and system implementation of such and expenses relating to meetings with investors, advisory committee and the executive board members (vi) subscriptions and membership fees in industry organizations and travel to and attendance at, industry conferences (provided that after the termination of the commitment period any such expenditures for such subscriptions, members fees and industry conferences directly benefit a fund. These Fund expenses will not offset Management Fees, nor will they be treated as "special income" to Lubert-Adler.

Lubert-Adler will occasionally utilize private planes for marketing, due diligence and asset management purposes on behalf of its Funds. All private plane usage chargeable to a Fund in accordance with Lubert-Adler's expense policy will be charged at either the cost of the flight or the cost of a comparable 1st class commercial flight for the employees involved, whichever is less; and therefore, the Fund will not incur unreasonable costs related to this travel.

Any expenses common to the Funds and to any other funds managed by Lubert-Adler or its affiliates generally will be allocated among such entities on a basis reasonably believed by Lubert-Adler and its related general partners of the other funds (as applicable) to be equitable based on the relevant facts, such as the relative sizes of the participating funds and the circumstances that caused the expense to be incurred with respect to each participating fund.

For a more detailed description of the specific Management Fees, Carried Interest and expenses charged, please see each of the Fund's specific Offering Documents as these items will sometimes vary.

Item 6. Performance-Based Fees and Side-By-Side Management

As described in Item 5, Lubert-Adler will be paid Carried Interest, if available, and will be paid carried interest after certain thresholds have been met as disclosed in the Fund's specific Offering Documents. Lubert-Adler and certain of its officers, employees and related entities receive incentive compensation, which is tied explicitly to the performance of a Fund, and such compensation will continue to be earned based upon the overall performance of a Fund's portfolio rather than that of individual transactions. The existence of the Carried Interest may create an incentive for Lubert-Adler to cause a Fund

to make riskier or more speculative investments than would be the case in the absence of the Carried Interest.

Certain Funds (e.g., Lubert-Adler Real Estate Fund VI-A, L.P. and Lubert-Adler Real Estate Fund VII-B, L.P.) will not charge a Management Fee, may defer it for a specific period or not charge a performance-based fee. The management of such Funds alongside other Funds that have different fee structures will create additional conflicts of interest. An investment adviser may have an incentive to favor the performance-based fee funds or funds with higher Management Fees when allocating promising or profitable investment opportunities and may avoid allocating less promising or unprofitable investment opportunities to such funds. To address this risk, Lubert-Adler has compliance policies and procedures in place that prohibit employees from improperly favoring one Fund over another (“allocation policies and procedures”) and will only compensate employees through a Carried Interest program based upon the performance of the Fund and not the outcome of any one single transaction or investment.

Item 7. Types of Clients

Lubert-Adler provides discretionary investment advisory services to its Funds where each investor (generally a limited partner) is required to meet certain suitability qualifications, such as being an “accredited investor,” “qualified client” and “qualified purchaser” as defined by the meaning set forth under the federal securities laws. Investors in the Funds will include, but are not limited to, governmental pension plans, corporate and business entities, endowments and foundations, trusts, and high net worth individuals. The Funds’ Offering Documents generally require a minimum initial investment or commitment by each investor of \$5 million. However, each Fund’s general partner has the discretion to waive or reduce the minimum initial investment or commitment and has done so for certain investors and has done so regularly.

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

Lubert-Adler utilizes a combination of opportunistic acquisition philosophies and value enhancement programs designed to help create high quality real estate assets at a cost basis well-below their competitive set. A key to these strategies is forging strategic alliances with local third-party operating partners who possess local knowledge and execution capabilities in real estate.

For its value-add strategy, Lubert-Adler seeks to acquire real estate assets at significant discounts via multiple access points by focusing on sellers who are not in the business of upgrading their assets or who have had problems and cannot upgrade due to over-leverage, lack of capital or lack of economic incentive to invest. To execute this opportunistic strategy, Lubert-Adler may access investment opportunities through note purchases, REO (real estate owned) inventory, recapitalizing borrowers and bankruptcy auctions.

For the Urban Fund investment strategy, Lubert-Adler will acquire, upgrade and in certain circumstances develop and aggregate a diversified pool of neighborhood multifamily rental and street-front retail assets located in emerging urban neighborhoods.

It should be noted that there can be no assurance that the use of these investment strategies will achieve any returns or avoid a loss. A Fund’s ability to achieve returns will depend on a variety of factors, many of which will be beyond its or Lubert-Adler’s control.

Investments in real estate funds involve a substantial degree of risk. A Fund may lose all or a substantial portion of its investments and Fund investors must be prepared to bear the risk of a complete loss of their investments.

Based upon Lubert-Adler's current investment strategy below is an overview of material investment risks; for further details on how each risk may directly affect a Lubert-Adler Fund, please reference the applicable Fund's Offering Documents which all investors should carefully read before investing:

No Assurance of Investment Return - Each Fund's task of identifying and evaluating investment opportunities, managing such investments and realizing a positive return for investors is difficult. There is no assurance that a Fund will be able to invest its capital on attractive terms or continue to generate positive returns or avoid losses for its investors over the long term.

Real Estate Investments - Investments in real estate entail a variety of risks, any of which could cause a loss. Significant costs may be entailed in each stage of the various methods of real estate investment used by a Fund, including the costs of purchase, development, construction, renovation, operation, financing, and sale of real estate. Various government approvals may be required but may not necessarily be granted. Real estate is subject to various market forces, such as economic and population fluctuations on both a national and local level, that are beyond the control of any investor. Real estate typically is subject to taxation, and owners may be required to pay other significant fees or assessments.

Market Conditions May Dramatically Affect the Funds' Investments - Volatile market conditions at various times have had a dramatic effect on private real estate investments. In addition, terrorist attacks and other acts of violence or war may affect the operations and profitability of the Fund's Investments. Such events could cause consumer confidence and spending to decrease or result in increased volatility in the U.S. and worldwide financial markets, real estate industry and economy. They also could result in a continuation of the current economic uncertainty in the U.S. or abroad. Any of these occurrences could have a significant impact on the operating results and revenues of the underlying properties, and, in turn, on the return of the Funds' investments.

Indirect Real Estate Investments - Funds will acquire its interest in the real estate assets indirectly by acquiring interests in Joint Venture Entities. All investments will involve risks generally involved in joint venture partnerships, including, for example, the possibility that the operating partner in a joint venture might become bankrupt, that such operating partner may at any time have economic or business interests or goals that are inconsistent with the business interests or goals of the Fund, and may be in a position to take action contrary to the desires of Fund or contrary to Fund's objectives.

Due Diligence Processes - The due diligence investigation that Lubert-Adler and its strategic partners perform with respect to any investment opportunity or operating partner may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such opportunity, including, among other things, the existence of fraud or other illegal or improper behavior. Moreover, such an investigation will not

necessarily result in the investment being successful.

Concentration of Investments - A relatively high percentage of a Fund's total capital may be invested in a single or a few portfolio investments to which any single loss will have a significant adverse impact on such Fund's capital. In addition, no Fund is required to diversify its investments among industries or regions.

Long-term Nature of Investments - Investments in the Funds require a long-term commitment, with no certainty of return. The Funds may experience severe financial difficulties because of its portfolio investments. Some of the investments will be highly illiquid, and the Funds may be unable to realize on such investments in a timely manner. There may be little or no near-term cash flow available to the investors. Partial or complete sales, transfers or other dispositions of investments which may result in a return of capital or the realization of gains, if any, are generally not expected to occur for several years after an investment is made. Since the Funds may only make a limited number of investments and since many of the investments may involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to investors.

Tax Considerations - An investment in a Fund will involve complex U.S. federal income tax considerations that will differ for each investor. Under certain circumstances, investors could be required to recognize taxable income in a taxable year for U.S. federal income tax purposes, even if the Fund either has no net profits in such year or has an amount of net profits in such year that is less than such amount of taxable income. Funds might not make any distributions to their investors in any given year, and an investor's tax liability attributable to an investment in a Fund in any tax year could exceed the cash distributed. Funds may invest in entities which would cause them to have to report taxable income for U.S. Federal income tax purposes prior to the time the Fund receives distributions from such investments.

Inflation Risk - When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power erodes at the rate of inflation.

Interest-rate Risk - Fluctuations in interest rates will cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds or loans become less attractive, causing their market values to decline.

Reinvestment Risk - This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (*i.e.* interest rate). This risk relates primarily to fixed income investments.

Distressed Debt - A Fund may invest in distressed real estate loans or claims. Distressed debt investments present more credit risk than investment-grade issues. Distressed debt investments involve a risk of loss in case of default or insolvency of the issuer, particularly if the obligation is unsecured.

Lending - Each Fund may engage in lending directly to borrowers, which may include in certain circumstances, other Funds or their affiliates. In addition to the risks that apply to debt investments generally, direct lending will entail a heightened

risk of default by the borrower. Loans may be subordinate to already- outstanding loans by the same borrower and may be unsecured or insufficiently secured. Privately negotiated loans may be illiquid and subject to a heightened risk of litigation.

Business Risk - These risks are associated with a particular industry or a particular company within an industry. The Funds focus their investments in the real estate industry.

Liquidity Risk - The Funds invest in illiquid investments. Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. Real estate is not liquid. If a Fund was required to divest itself of an illiquid investment, the Fund might not be able to do so quickly or at an advantageous price.

Financing Risk - The Funds will borrow. Excessive borrowing may increase risk, as a Fund would be required to meet its periodic payments and would generally retain a principal repayment obligation even if the financed investment lost value. Consequently, financing may have leveraging effects that could exacerbate losses.

Hedging - In connection with the variable rate financing of certain assets, a Fund will employ hedging techniques designed to protect against adverse movements in currency and/or interest rates. While such transactions may reduce certain risks, such transactions themselves will entail certain other risks. Thus, while a Fund may benefit from the use of hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates can result in poorer overall performance for a Fund than if it had not entered into such hedging transactions.

Unable to Identify Attractive Investments - No assurance can be given that the Fund will be able to originate investments that satisfy its rate of return objectives or that such investments will perform as expected. The Funds will face competition for investments from both private and public investors, some of which have greater financial and other resources than the Fund and more extensive experience than the Fund. Interim investments may offer returns lower than those targeted for long-term investment by the Funds. The Funds intend to make draws on commitments as funds are needed during the commitment period; however, investments consistent with the Funds' strategy may not be available at certain instances.

Foreign Investment - A Fund may invest outside the United States. Any such investment entails additional risks, such as the risk of adverse changes in applicable foreign laws, regulation, currency exchange rates and risks of expropriation, nationalization, repatriation and the imposition of restrictions on foreign investment.

Environmental Risks - The real properties underlying investments will be subject to federal and state environmental laws, regulations and administrative rulings, which, among other things, establish standards for the treatment, storage and disposal of solid and hazardous waste. Real property owners are subject to federal and state environmental laws that may impose joint liabilities on past and present owners and users of real property for hazardous substance remediation and removal costs. Therefore, the Fund may incur loss from environmental claims arising in respect of real properties underlying its Investments with undisclosed or

unknown environmental problems or as to which inadequate reserves have been established.

Potential Losses Not Covered by Insurance -Lubert-Adler intends to maintain insurance on its properties, including liability and fire and extended coverage, in amounts sufficient to permit the replacement of the asset in the event of a total loss, subject to applicable deductibles. However, no assurances can be given that insurance proceeds, less deductibles, will be sufficient to fully replace a property or that insurance will be available in given markets.

Interest Subject to Restrictions on Fund Transfers and Withdrawals - Interests are not transferable except with the consent of the general partner and investors may not withdraw capital from the Funds. There will be no public market for the partnership interests. Each investor will be required to represent that it is acquiring its interest in investment purposes and not with a view to resale or distribution. Each investor must be prepared to bear the economic risk of an investment for an indefinite period, since interests cannot be resold unless they are subsequently registered under the Securities Act, or an exemption from such registration is available, and provisions of the Funds' Offering Documents relating to restrictions on transfer of interests are complied with.

Defaulting Limited Partner - If an investor fails to fund any of its commitment when required, among other remedies available to the Fund, the Fund may accelerate such investor's unfunded commitment, such investor's interest in the Fund may be forfeited or subject to dilution, the Fund may withhold distributions from such investor and such investor may be prohibited from participating in future investments.

Investors Will Have Limited Recourse Against Lubert-Adler - The Fund's Offering Documents generally limits the circumstances under which the general partner or its affiliates will be held liable to the Fund. Thus, investors will have a more limited right of action in certain cases than they would have in the absence of such limitations. In addition, the organizational documents provide that the Fund will indemnify the general partner and its affiliates, partners and employees for certain claims, losses, damages, and expenses arising out of their activities on behalf of the Fund. Such indemnification obligations could materially adversely affect the returns to investors.

Information About Investments – Lubert-Adler intends to keep investors apprised of the status of the Fund's investments and their operating partners on a periodic basis. In reviewing these reports, investors should be aware that Lubert-Adler and the Fund will be subject to confidentiality agreements that limit the amount of information that Lubert-Alder may disclose about Fund investments.

Dependent on Management – Fund investments will be chosen by Lubert-Adler Investment Committee members and thus, the Funds will be wholly dependent upon Lubert-Adler's ability to identify, negotiate, acquire, manage and liquidate investments.

Cybersecurity Risks – Lubert-Adler, the Funds' service providers, Operating Partners and other market participants increasingly depend on complex information

technology and communications systems to conduct business functions. Lubert-Adler has taken steps to evaluate and mitigate cybersecurity risks, but there can be no assurance that such steps and any policies or practices will adequately address or prevent all types of cybersecurity risks. Such systems are subject to several different threats or risks that could adversely affect the Funds and their investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to our systems. Third parties may also attempt to fraudulently induce employees or investors to disclose sensitive information to gain access to the Lubert-Adler's data or that of the Funds' investors. A successful penetration or circumvention of the security of Lubert-Adler's systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause Lubert-Adler or the Funds to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

Regulatory Risks - Each Fund relies on various exemptions from federal and state statutes and rules, such as ERISA, the Investment Company Act of 1940 ("1940 Act") and the Securities Act of 1933 (the "Securities Act"), to operate without having to register under such statutes and rules. Loss of any such exemption, or a change in these statutes and rules or certain others, such as the Advisers Act, anti-money laundering rules, and the U.S. Internal Revenue Code, could impact a Fund's ability to continue to operate as it currently does. A Fund's exemption from certain investor protection laws means that a Fund's investors do not have the benefit of protections afforded by such laws, including ERISA, the 1940 Act and the Securities Act.

Conflicts of Interest - Fund investments are subject to various conflicts of interest, including those between co-investors in specific projects, between various investors in a Fund, and between Lubert-Adler and a Fund. Prospective investors are advised to carefully review the applicable Fund's Offering Documents that discuss the conflicts of interests when investing in a Fund and the conflict of interest information addressed in Item 10.

Item 9. Disciplinary Information

Neither Lubert-Adler nor any of its employees has been involved in the past ten years in any legal or disciplinary event that Lubert-Adler believes is material to an investor or prospective investor in their evaluation of Lubert-Adler's advisory business or Fund management.

Item 10. Other Financial Industry Activities and Affiliations

Lubert-Adler has financial relationships and arrangements that are material to its advisory business with the following related entities:

Lubert-Adler utilizes Independence Capital Partners, LLC ("ICP"), an affiliated entity, to provide certain non-investment services such as compliance, accounting and tax support, information technology and insurance. ICP also provides similar services to other affiliated investment advisory firms which include: LLR Walnut, L.P.; Patriot Financial Manager, L.P.; Quaker Partners Management, L.P. (an exempt filer); LBC Credit Management, L.P.;

and LEM Capital, L.P. (collectively, the “ICP Affiliate Firms”). Each ICP Affiliate Firm is separately managed by its partners and investment professionals and offers advisory services to private investment funds focused on varying assets classes.

The ICP Affiliate Firms and the Funds they manage will share coverage under certain insurance policies, such as general partner liability insurance, cybersecurity and crime insurance. The cost of such shared policies will be allocated as reasonably determined by the ICP Affiliate Firms, considering such factors as the ICP Affiliate Firms will reasonably determine, including, without limitation, the estimated relative costs of standalone policies for the ICP Affiliated Firms, the relative capital called or estimated to be called for each Fund, and the relative claims experience of the ICP Affiliated Firms.

Messrs. Lubert, Adler, Gerry Ronon, Leonard Klehr, Neill Faucett, Robert Morgan, Vinod Paidipalli, Michael Phillips and Michael Trachtenberg are all voting members of the Lubert-Adler Funds Investment Committee. Messrs. Adler, Ronon and Klehr will also serve as voting members of the Urban Fund’s Investment Committee along with three representatives from an unrelated general partner. Each member has personal business interests separate and apart from their interests in the Funds. Each of them intends to pursue additional investment opportunities outside of the Funds to the extent not prohibited by any applicable Fund’s Offering Documents.

Mr. Lubert, a co-founder of Lubert-Adler, has voting and non-voting ownership interests in ICP and all the above ICP Affiliate Firms. Each ICP Affiliate Firm manages private investment funds that may invest in real estate, private equity, debt or venture capital companies, some of which may have investment mandates that are similar to, but not directly overlapping with, the investment mandates of the Lubert-Adler Funds. Partners of these funds and Lubert-Adler may share information and collaborate regarding investment opportunities and, on a rare occasion, may co-invest on investments.

In addition to his interests in ICP and the ICP Affiliate Firms, Mr. Lubert’s outside business interests include holding: voting and non-voting interests in several investment advisers to private equity funds; controlling, voting and non-voting interests in numerous operating companies, including gaming establishments and a hotel management company; and controlling, voting and non-voting interests in numerous private real estate investments. He also serves, or has served, on the board of directors of a number of private and public companies and non-profit organizations.

The outside business interests of Mr. Adler include holding non-voting interests in several investment advisers to private equity funds and voting and non-voting interests in several private real estate investments. He also serves on the board of directors of private and public companies and non-profit organizations.

The outside business interests of Mr. Ronon and Mr. Klehr include serving on the board of directors or as an investor in both public or private companies and other non-profit organizations but do not involve any direct private commercial real estate investments.

The outside business interests of Messrs. Faucett, Morgan, Phillips, Paidipalli and Trachtenberg include holding non-voting passive interests in private commercial real estate investments. Additionally, these individuals will be investors in both public and private companies and may serve as directors for such private companies.

These outside business interests may limit the time which the individual can devote to any one Fund. New outside business interests are subject to review by the Chief Compliance Officer to check for identifiable material conflicts of interest. Existing outside business interests are reviewed at least annually for changes in circumstances which may be expected to lead to material conflicts. When a member of the Investment Committee becomes aware of a material conflict of interest between himself or his role with respect to the Fund and one of his outside business interests, he is expected to inform Lubert-Adler's Chief Compliance Officer and, where possible, propose methods to mitigate the conflict. Mitigation efforts may include, among other things, recusing himself from participating in certain decisions, and, where required by a Fund's limited partnership agreement, disclosing such material conflict to, or seeking a waiver of such conflict from, the applicable Fund's executive committee. Nevertheless, from time to time, various conflicts of interest will arise. For example, some of the existing private real estate investments may be in the same asset class or general market as investments of the Fund and may compete for tenants or other resources. Similarly, some investments which were, or are, not suitable for the investment purposes of a Fund when made may have been, or may be, made in partnership with an existing operating partner.

The pooled investment vehicles specifically managed by LEM Capital, L.P., engage in various real estate or real-estate related investment activities, including the acquisition, financing, and value-add renovations of multifamily real estate properties but Lubert-Adler does not believe that there will be a significant overlap of investment opportunities. Conflicts of interest may arise as a result of such real estate ownership and activities, particularly ownership of real estate multifamily properties in the same markets targeted by a Lubert-Adler Fund.

A Fund may engage affiliates of Lubert-Adler to perform real estate-related services including development, property management and/or leasing services in connection with the ownership and operation of the Fund's assets, so long as those services are required by the Fund's business and are offered at a rate no less favorable than those provided in a third-party, arm's length transaction. At the election of the Fund's general partner, any fees payable pursuant to any such agreement will not reduce the Management Fee payable by a Fund. In most Funds, any such potential conflict of interest will be addressed by requiring that a Fund's executive board (which consists of certain large, non-affiliated Fund investors) to review and approve the terms of the agreement. However, in certain Funds, such real estate services and fees earned from property level services need only be disclosed and authorized by the Fund's Offering Documents.

Lubert-Adler investment professionals will continue to devote time to the management of all of its Funds, which may create conflicts in the allocation of management resources. In general, during any Fund's commitment period, Mr. Adler, co-founder of Lubert-Adler will spend substantially all of his business time on the management and operation of the Lubert-Adler Funds (and permitted investment vehicles) and specifically including the Fund actively investing during its commitment period. If Mr. Adler does not continue to do so, a Fund may, subject to other conditions, appoint a substitute for Mr. Adler, terminate the Fund's investment period or under certain circumstances, the Fund may be dissolved. Mr. Lubert, in addition to his ownership in and responsibilities to the ICP Affiliate Firms, is a principal of several pooled investment funds and operating businesses and will become

involved as a principal in future pooled investment funds. Such activities will limit the amount of time Mr. Lubert will be able to devote to any Fund.

Investment opportunities may arise that are appropriate for more than one Fund and/or one or more other ICP Affiliate Firms' funds. In these situations, the investment team which first sourced or originated the opportunity will invest in the opportunity without offering it to other ICP Affiliate Firms' funds. Opportunities first sourced or originated by Mr. Lubert or Mr. Adler will be offered to the Lubert-Adler Funds, and such opportunities will be allocated among the Funds based on the stage of investment and appropriateness of an investment by each applicable Fund, as described more fully in the Funds' Offering Documents. If the Funds do not invest in such an opportunity or if additional funding is required for such an opportunity, the opportunity or a portion thereof may be offered to other ICP Affiliate Firms funds, the Fund's investors or third-party co-investors.

In addition, when Lubert-Adler determines in its reasonable discretion that it would be advantageous to co-invest in an opportunity with one or more other ICP Affiliate Firms' funds, then, without the consent of the executive board, the Fund may co-invest with another ICP Affiliate Firms' fund in such opportunity only on a *pari passu* basis (that is, in the same security with equal rights of payment or level of seniority). If the Fund intends to co-invest other than on a *pari passu* basis, the Fund's executive board must approve decisions related to the allocation of purchase price among the co-investing ICP Affiliate Firms' funds and other applicable conflicts. Such co-investment opportunities will also be subject to the approval of committees of the co-investing funds in accordance with their respective Offering Documents. The relative amounts of Fund assets co-invested will be determined in the reasonable discretion by Lubert-Adler in view of the amount made available for co-investment by the investment team which first sourced or originated the deal and along with the relative available capital, investment objectives, financing capacity and diversification limits of each fund participating in the co-investment (among other factors).

Lubert-Adler may offer institutional investors as defined by the Fund's Offering Documents, an opportunity to co-invest in an investment on the same terms as those offered to a Fund. The co-investment opportunity will be allocated among institutional investor electing to participate in such co-investment opportunity and Lubert-Adler if it elects to participate on a pro-rata basis based upon respective Fund commitments. Any unused co-investment allocation will be re-allocated among those institutional investors that have requested more than their pro-rata allocation amount until the full co-investment amount has been allocated. Any amount that is not allocated by Lubert-Adler to any institutional investor can be allocated by Lubert-Adler to any investor including Lubert-Adler's general partnership entity or to third parties at Lubert-Adler's sole discretion. Lubert-Adler may charge third-party co-investors a Management Fee and Carried Interest; provided, that Lubert-Adler affiliates generally shall not be entitled to any economic benefit from any such amounts, which should economically accrue only to the benefit of the Fund (which shall be shared among them in the same manner as the investment was shared) and be shared in the same manner as other Fund income unless otherwise specified in the Fund's Offering Documents.

Investment opportunities may arise that are appropriate for the co-investment by two or

more Lubert-Adler Funds. The terms and provisions in which each Fund will co-invest will be documented in their respective Fund's Offering Documents.

A Fund will purchase a portion of investments held by another Lubert-Adler Fund, if permitted to do so under each of the Fund's Offering Documents. Upon the granting of the required authorization as stated in the Fund's Offering Documents, a Fund will co-invest and pay its proportionate share of the cost of such assets plus an interest payment on the invested amount at an annual rate equal to any accrued preferred return on such assets, generally calculated from the original date of purchase of the asset to the date the co-investment is completed.

In all such co-investment situations, Lubert-Adler seeks to act in the best financial interest of the Funds. Because of these co-investments, the amount a Fund invests in an investment opportunity may be less than it otherwise would be willing and able to invest, and in certain cases, a Fund will be required to forego investment opportunities.

The Funds and any co-investing entities including other Lubert-Adler Funds will enter into guarantees, wherein each such entity may be jointly and severally liable. This may create conflict situations in which the interests of co-investing entities diverge as circumstances change. For example, the liquidity of one or more of the parties may preclude the performance by such at the time the guarantee is called. Lubert-Adler will use its best efforts under such guarantees to allocate liabilities among such parties.

Lubert-Adler will also enter from time to time into investments with other nonaffiliated sponsors and syndicators of pooled investment vehicles.

Lubert-Adler and/or the Funds will from time to time enter into other written agreements or side letters with one or more investors whereby, in consideration for agreeing to invest certain amounts in a Fund and other consideration deemed material to a Fund, such investors will be granted rights not otherwise afforded to other investors who have invested lesser amounts. These side letters may entitle an investor to make an investment in a Fund on terms other than those described in the Funds' Offering Documents Any such terms, including with respect to (i) reporting obligations; (ii) transfer rights to affiliates; (iii) withdrawal rights due to adverse tax or regulatory events; (iv) consent rights to certain partnership agreement amendments; or (v) any other matters described in Fund's Offering Documents which will be more favorable than those offered to any other investors who have invested lesser amounts. Such agreements will have the effect of establishing rights under, or altering or supplementing the terms of, the partnership agreement with respect to such investor.

Lubert-Adler will hire third-party research consultants who will perform market, industry and economic research, provide written and oral reports and presentations to our advisory committees, executive boards and internal committees. These research consultants will be paid by the Lubert-Adler Funds and their fees will not offset Lubert-Adler's Management Fees as described in Item 5.

In certain circumstances, advisors and service providers will charge different rates or have different arrangements for services provided to other ICP Affiliate Firms and affiliates as compared to services provided to a Fund and its Joint Venture Entities which will result in more favorable rates or arrangements than those payable by a Fund or such portfolio companies. Certain advisors and service providers (including accountants, administrators,

lenders, brokers, attorneys, consultants, operating partners, investment or commercial banking firms) may be investors in the Lubert-Adler Funds. These relationships may influence Lubert-Adler in deciding whether to select or recommend such a service provider to perform various services for a Fund or its Joint Venture Entities (the cost of which will generally be borne directly or indirectly by a Fund or Joint Venture Entities, as applicable). Notwithstanding the foregoing, investment transactions for a Fund that require the use of a service provider will generally be allocated to service providers on the basis of best execution and other considerations, such as a service provider's provision of certain investment-related services that Lubert-Adler believes benefits a Fund.

Lubert-Adler provides investment advisory services and its affiliates serve as sponsors of the Funds, and will, in the future provide investment advice to and/or serve as sponsors of affiliated investment partnerships, limited liability companies and their general partners or managing members, as applicable. The general partners and the managing members are also investment advisers registered in accordance with SEC guidance under the Advisers Act pursuant to Lubert-Adler Management Company, L.P.'s registration. These affiliated investment advisers operate as a single advisory business, are under common control and are subject to Lubert-Adler's Code of Ethics and compliance programs adopted pursuant to the requirements of the Advisers Act.

Lubert-Adler and its Funds are typically represented in connection with the offering of Fund interests pursuant to each Fund's Offering Documents by Klehr Harrison Harvey Branzburg LLP ("Klehr Harrison"). Klehr Harrison is not representing the investor or limited partners, and prospective investors should seek individual counsel if they so desire.

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

Lubert-Adler has adopted a written Code of Ethics (the "Code") that is applicable to all its partners, officers and employees ("Access Persons") and is designed to comply with Rule 204A-1 of the Advisers Act. Lubert-Adler's Code is based upon the premise that Lubert-Adler and its Access Persons have a fiduciary responsibility to render professional, continuous and unbiased investment advisory service and put the interests of its Funds first. The Code requires all Access Persons to (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put the Fund's interests ahead of those of Lubert-Adler; (3) observe Lubert-Adler's personal trading policies so as to avoid "front-running" and other conflicts of interests between Lubert-Adler and its Funds; (4) report any perceived violations of the Code; and (5) ensure that they have read the Code, agreed to adhere to the Code, and are aware that a record of all violations of the Code will be maintained.

The Code governs the securities trading and investment activities of all Access Persons for their own personal accounts. All Access Persons must first pre-clear personal trades for covered securities, as defined under the policy, in personal accounts where they have beneficial ownership. He or she must also seek preapproval when participating in any initial public offerings ("IPOs") or private placement, including the purchase or sale of commercial real estate. A pre-clearance request will be denied if any such investment or issuer is under consideration for investment by a Fund, is held by any Lubert-Adler Fund or Lubert-Adler or its affiliates are in receipt of material non-public information of a

publicly-traded company or if any another conflict of interest exists.

Under the Code, Access Persons are also required to file certain periodic reports and certifications with Lubert-Adler's Chief Compliance Officer. A copy of the Code is distributed to each Access Person at the time of hire and annually thereafter. Access Persons are required to attend an annual Code of Ethics training and certify that they are in compliance with the Code. Access Persons who violate the Code are subject to sanctions by Lubert-Adler's Compliance Committee, including possible employment termination. A copy of the Code is available upon request from Lubert-Adler's Chief Compliance Officer, Michelle Vaughn at mvaughn@lubertadler.com.

Certain Lubert-Adler investment professionals including voting members of the investment committee will have business interests separate and apart from their interests in Lubert-Adler and its Funds. Such outside business interests will include controlling, voting and non-voting interests in private equity funds, operating companies, and private real estate investments. New outside business interests are subject to review by the Chief Compliance Officer to check for obvious conflicts of interest. Existing outside business interests are reviewed at least annually for changes in circumstances which may be expected to lead to material conflicts. If an employee becomes aware of a material conflict of interest between such employee or such employee's role with respect to a Fund and one of such employee's outside business interests, such employee is expected to inform Lubert-Adler's Chief Compliance Officer and, where possible, propose methods to mitigate the conflict. Mitigation efforts may include, among other things, recusing oneself from participating in certain decisions, and, where required by a Fund's limited partnership agreement, disclosing such conflict to, or seeking a waiver of such conflict from, the applicable Fund's executive committee. Nevertheless, from time to time, various conflicts of interest will arise. For example, some of the existing private real estate investments may be in the same asset class or general market as investments of the Fund and may compete for tenants or other resources. Similarly, some investments which were, or are, not suitable for the investment purposes of a Fund when made may have been, or may be, made in partnership with an existing Operating Partner.

Co-founders, managing principals, certain employees, related persons and other accredited investors will invest in the Funds, either through a general partner affiliate or as direct investors in the Funds. Lubert-Adler or an affiliated general partner, as applicable, will reduce all or a portion of the Management fee and/or Carried Interest related to investment held by such persons.

Lubert-Adler has adopted an investment allocation policy that governs the allocation of investment opportunities across its Funds and permitted investment vehicles. It is our policy to allocate investment opportunities (i) on a fair and equitable basis; (ii) consistent with all Fund disclosures, representations and contractual obligations; and (iii) consistent with our allocation policy.

Each new real estate investment opportunity sourced by Lubert-Adler will be evaluated and allocated to a Fund based upon the Fund's open commitment or investment period, investment strategy and the opportunity's underlying economics as it relates to the disclosures made in the Fund's Offering Documents.

Lubert-Adler will conduct an allocation review of each new investment opportunity to make

an allocation recommendation based upon but not limited to the following allocation factors:

- Funds or permitted investment vehicles that have an open commitment or investment period;
- estimated property level and/or Fund level returns;
- specific geographic location (urban neighborhood, city or state);
- property or asset type (retail, multi-family, hospitality, office, industrial, mixed use or other);
- size of the investment (equity commitment);
- duration of the investment or holding period;
- investment strategy (e.g., value-add, core plus);
- degree of renovations and other capital improvements;
- applicable diversification targets;
- available or investable capital; or
- follow-on opportunities as described in a Fund's Offering Documents.

Fund performance, management or incentive fees, or the status of a performance return hurdles will never be a factor in allocation decisions.

Lubert-Adler will allocate investment opportunities among its parallel Funds in accordance with the provisions of the Funds' Offering Documents. Furthermore, Lubert-Adler will allocate investment opportunities between existing Funds and Successor Funds, only if permitted by the Funds' Offering Documents.

For more information regarding Lubert-Adler's practice with respect to purchases in which Lubert-Adler or a related person has a material financial interest or simultaneous purchases by the Funds or related persons, please reference Item 10.

Item 12. Brokerage Practices

Lubert-Adler is granted discretion over the selection and amount of investments and such investments will be bought or sold without obtaining prior consent or approval from the Funds' investors. Lubert-Adler's investment authority with respect to any Fund is subject to the investment objectives, guidelines and/or conditions set forth in the Fund's Offering Documents. In addition, it should be noted that the Funds generally invest in privately negotiated real estate transactions where the brokerage terms of such transactions are largely influenced by the third-party operating partner and the capabilities of the third-party real estate brokers to successfully execute such transactions. Lubert-Adler seeks to have transactions executed in the best interest of the participating Fund, considering various factors such as the size, structure, competence, and capabilities of the brokers.

If Lubert-Adler retains a broker-dealer or investment bank with respect to privately negotiated or publicly traded securities transactions, the costs will be borne by the relevant Funds and/or Joint Ventures Entities. In doing so, Lubert-Adler would consider the capabilities with respect to the type of transaction being contemplated, block trade options, the commission or fees charged, the reputation of the broker-dealer or investment bank being considered, and responsiveness to requests for information. Thus, Lubert-Adler generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not necessarily pay the lowest commission or fee for such services. If Lubert-Adler

trades in publicly-traded securities, it would take reasonable steps to ensure that the broker-dealer or investment bank utilized is reliable and that the terms and circumstances of each transaction are the best available on the relevant market at the time of execution for transactions of the same size and nature. Additionally, Lubert-Adler will perform post-trade reviews of publicly-traded securities transactions.

Lubert-Adler does not participate in or accept soft dollar benefits. In addition, Lubert-Adler does not participate in any commission sharing arrangements nor does it direct brokerage in exchange for referrals.

For more information regarding Lubert-Adler's practice to aggregate Fund co-investments, please reference Item 10.

Item 13. Review of Accounts

Oversight and Monitoring - Lubert-Adler's investment team, which is made up of more than 18 individuals, is responsible for reviewing and monitoring each of the Fund's investments on a continuous basis. This investment team includes Lubert-Adler's co-founders, managing principals, and specialists in investment analysis, research, asset management, capital markets and disposition. This team is responsible for identifying, evaluating, structuring and negotiating investments, overseeing the ongoing asset management of the operating partners and property and for oversight of financings, recapitalizations, and dispositions.

Reports to Investors - Fund investors generally receive the following reports: (i) annual audited financial statements of the Fund, (ii) quarterly capital account statements, (iii) quarterly reports containing an operation summary of the Fund's portfolio properties, and (iv) such other information as is necessary for the preparation of tax returns.

In addition, each of the Funds' advisory committees and executive boards generally receives reports about the Fund on a periodic basis while the Funds' executive committees will receive materials on certain issues, such as conflicts of interest and valuations.

Item 14. Client Referrals and Other Compensation

No person who is not an investor of a Lubert-Adler Fund provides compensation or economic benefit to Lubert-Adler for advisory services.

Lubert-Adler has in the past entered into (and may in the future enter into) solicitation, placement or consulting arrangements in overseas markets pursuant to which Lubert-Adler may compensate third parties to seek investor referrals related to limited partnership interests being marketed or offered by a Fund. With respect to investors that are referred by a third-party, a placement fee, subject to a specific agreement with such third-party, are paid by Lubert-Adler, and not any Fund. These types of arrangements are disclosed to prospective investors before they make an investment in the relevant Fund to make them aware that the solicitor or consultant may have an incentive to favor offering interests in one kind of investment over the interests in other types of investments.

Item 15. Custody

Lubert-Adler is deemed to have custody of its Funds assets by virtue of its status as the general partner of its Funds. Lubert-Adler complies with the Advisers Act custody rules in the following manner, each Fund: (i) is subject to audit by an independent accountant

registered with the Public Company Accounting Oversight Board, at least annually; (ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to all investors within 120 days of the end of its fiscal year; and (iii) upon liquidation will distribute its audited financial statements to all investors promptly after the completion of such audits. Such audits will include any funds and certificated securities that, as required by applicable law, are placed in custody with a qualified custodian.

Item 16. Investment Discretion

Under each Fund's Offering Documents, Lubert-Adler has investment discretion to manage the Funds' assets.

Item 17. Voting Client Securities

The Funds generally do not hold publicly-traded securities with voting rights but where a Fund holds publicly-traded securities, Lubert-Adler will generally have the sole authority to direct the voting of such securities. Any voting rights held by the Funds generally entail large or controlling interests of privately held issuers. Unlike the limited voting rights attributable to publicly-traded securities, the Funds generally have broad voting authority on a wide range of matters affecting privately held issuers. Lubert-Adler votes such interests, on behalf of the Funds, in the economic interests of the applicable Fund. Lubert-Adler considers relevant facts, which may include, among many others, the impact on the value of the securities, the anticipated economic and non-economic costs and benefits associated with a proposal, the effect on liquidity, and customary industry and business practices. A Fund will decline to vote proxies when Lubert-Adler determines that the cost of voting the proxy exceeds the expected benefit to the Fund. A copy of the Lubert-Adler's proxy voting policies, procedures and voting record are available upon request from Lubert-Adler's Chief Compliance Officer, Michelle Vaughn at mvaughn@lubertadler.com.

Item 18. Financial Information

Lubert-Adler does not require or solicit prepayment of fees six months or more in advance, nor is the firm subject to any financial condition that would likely impair its ability to meet contractual commitments to its Fund.