MEADOW REAL ESTATE FUND III LP

September 30, 2021 Report

MEADOW
PARTNERS

MEADOW
PARTNERS

November 30, 2021

Dear Investors:

We are pleased to present the quarterly report of Meadow Real Estate Fund III LP ("Meadow Fund III") for the period from January 1, 2021 through September 30, 2021. This report includes: (i) an individual capital account schedule for each investor; (ii) performance, capitalization and investment summaries for Meadow Fund III; (iii) a detailed description of each closed Investment; and (iv) the September 30, 2021 unaudited financial statements.

As we have mentioned, Meadow Fund III has been particularly hard hit by the effects of the COVID-19 lockdown and forced business closures. As you would expect from Meadow Partners, regardless of the current valuation, we will continue to utilize our expertise and creativity to preserve, and where possible, enhance the value of each Investment.

As of September 30, 2021, Meadow Fund III is fully committed and has made capital calls totaling $376.6 million which represents 100% of total capital commitments. To date, Fund III has distributed a total of $112.5 million to investors.

Meadow Partners has completed fourteen investments for Meadow Fund III which are described in further detail in the Asset Management Summaries section of the enclosed report. To date, Meadow Fund III realized four investments with a gross IRR of 9.5% and a 1.1x multiple on $85.8 million of invested equity.

If you have any questions or would like to discuss any of these investments in more detail, please don't hesitate to contact Jeff, Andrew, Tim, Alison, or Adam. We are pleased to have you as a partner and greatly appreciate your continued support.

Sincerely,

Meadow Partners

Meadow Partners

MEADOW REAL ESTATE FUND III LP

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Meadow Real Estate Fund III LP
Investor Capital Account Schedule
January 1, 2021 through September 30, 2021

Treasurer of the State of North Carolina — 9/30/2021

Investment: 26.55%

Summary of Change in Net Asset Value:	Meadow Real Estate Fund III LP	Treasurer of the State of North Carolina
Beginning Net Asset Value - January 1, 2021	**$241,153,737.59**	**$64,220,209.84**
Capital Distributions	$0.00	$0.00
Capital Balance after Distributions	**$241,153,737.59**	**$64,220,209.84**
Net Investment Loss:		
Gross Investment Loss	($115,945.00)	($30,786.40)
Fees	($1,779,884.00)	($461,331.00)
Unrealized Gains/(Losses)	$45,628,902.00	$12,115,654.84
Realized Gains/(Losses)	($76,600,561.00)	($20,339,432.18)
Total Decrease in Partners' Capital resulting from Net Investment Loss	($32,867,488.00)	($8,715,894.74)
Ending Net Asset Value - September 30, 2021	**$208,286,249.59**	**$55,504,315.10**

Summary of Capital Contributions Since Inception:		
Capital Commitments	$376,611,108.59	$100,000,000.00
Net Capital Contributions to Date	$376,611,108.59	$100,000,000.00
Recallable Capital	$112,500,000.00	$29,871,662.68
Remaining Commitment as of September 30, 2021	**$112,500,000.00**	**$29,871,662.68**

Summary of Distributions Since Inception:		
Preferred Return	($112,500,000.00)	($29,871,662.68)
Total Distributions as of September 30, 2021	**($112,500,000.00)**	**($29,871,662.68)**

Meadow Real Estate Fund III LP
Performance Summary
As of September 30, 2021

($ in millions)

Transaction	(A) Stabilized Equity	(B) Realized Proceeds	(C) Estimated Remaining Proceeds	(B)+(C) Total Proceeds	Projected/Realized IRR	Projected/Realized Equity Multiple
Fully Realized						
104 Broadway, Ealing	10.6	20.5	0.0	20.5	85.9%	2.0x
Aldgate Hotel	20.5	34.4	0.0	34.4	20.4%	1.7x
The Dalton	25.7	35.6	0.0	35.6	8.3%	1.4x
143 Fulton Street	29.0	0.0	0.0	0.0	NM	NM
Partially Realized						
Loncor Portfolio	36.4	13.3	34.7	48.0	6.5%	1.5x
Millharbour, E14	42.0	23.9	57.9	81.8	18.5%	2.2x
Hathaway House, W9	18.4	10.6	27.3	37.9	13.8%	2.1x
109 South 5th Street	23.1	17.7	0.0	17.7	NM	NM
80-90 Maiden Lane	45.1	20.8	60.1	80.9	12.0%	1.8x
One Flatbush Avenue	37.1	1.6	20.7	22.3	NM	NM
SoHo Retail Portfolio	49.5	9.2	4.4	13.6	NM	NM
Unrealized						
The Gregory Hotel	40.0	0.0	0.0	0.0	NM	NM
222 M Street, SW	22.2	0.0	25.8	25.8	2.7%	1.2x
57 Willoughby Street	30.9	0.0	31.6	31.6	0.4%	1.0x
Total	**$430.5**	**$187.6**	**$262.5**	**$450.1**		

Note: Performance information is based in part on the actual cash flows through disposition for fully realized investments and on the projected operating cash flows and residual values for investments that are unrealized. These are based upon good faith reasonable estimates. These projections have been calculated solely for purposes of this document and do not necessarily reflect the amounts that will ultimately be received. There can be no assurance that these or any projections will be met.

Meadow Real Estate Fund III LP
Quarterly Change in Estimated Fair Market Value
As of September 30, 2021

($ in millions)

Transaction	Ownership Interest	Fund III Current Equity	Fund III Stabilized Equity	Prior Quarter Estimated Fair Market Value	Current Quarter Estimated Fair Market Value	Estimated Fair Market Value Change $
Partially Realized						
Loncor Portfolio	100.0%	21.8	36.4	30.8	28.8	(2.0)
Millharbour, E14	100.0%	19.5	42.0	52.8	51.9	(0.9)
Hathaway House, W9	96.0%	7.8	18.4	24.9	24.3	(0.6)
109 South 5th Street	100.0%	7.8	23.1	0.0	0.0	0.0
80-90 Maiden Lane	30.4%	26.6	45.1	53.1	44.9	(8.2)
One Flatbush Avenue	74.5%	26.4	37.1	16.0	16.3	0.3
SoHo Retail Portfolio	62.4%	11.7	49.5	3.6	3.6	0.0
Unrealized						
The Gregory Hotel	98.5%	35.8	40.0	(4.9)	(4.2)	0.7
222 M Street, SW	95.0%	21.1	22.2	24.3	23.9	(0.4)
57 Willoughby Street	100.0%	26.3	30.9	21.6	19.2	(2.4)
Total		**$204.8**	**$344.7**	**$222.2**	**$208.7**	**-$13.5**

Meadow Real Estate Fund III LP
Capitalization Summary
As of September 30, 2021

($ in millions)

		Current					Stabilized				
Transaction	Ownership Interest	Fund III Equity	Total Equity	Third Party Debt	Total Capitalization	Meadow Total Capitalization	Fund III Equity	Total Equity	Third Party Debt	Total Capitalization	Meadow Total Capitalization
Loncor Portfolio	100.0%	21.8	21.8	35.3	57.1	57.1	36.4	45.5	77.5	123.0	113.9
Millharbour, E14	100.0%	19.5	19.5	21.8	41.3	41.3	42.0	42.0	71.4	113.4	113.4
Hathaway House, W9	96.0%	7.8	8.1	19.0	27.1	26.0	18.4	19.2	83.5	102.7	98.6
109 South 5th Street	100.0%	7.8	7.8	50.2	58.0	58.0	23.1	23.1	33.9	57.0	57.0
80-90 Maiden Lane	30.4%	26.6	87.5	234.3	321.8	97.8	45.1	148.4	145.0	293.4	89.2
One Flatbush Avenue	74.5%	26.4	35.4	31.8	67.2	50.1	37.1	49.8	152.2	202.0	150.5
SoHo Retail Portfolio	62.4%	11.7	18.8	4.7	23.5	14.6	49.5	56.7	56.1	112.8	84.5
The Gregory Hotel	98.5%	35.8	36.3	42.6	78.9	77.8	40.0	40.6	42.6	83.2	82.0
222 M Street, SW	95.0%	21.1	22.2	74.0	96.2	91.4	22.2	23.4	74.0	97.4	92.5
57 Willoughby Street	100.0%	26.3	26.3	67.9	94.2	94.2	30.9	30.9	67.9	98.8	98.8
Total		**$204.8**	**$283.7**	**$581.6**	**$865.3**	**$608.3**	**$344.7**	**$479.6**	**$804.1**	**$1,283.7**	**$980.4**

Summary of Investments

($ in millions)

Investment	Acquisition Date	Location	Property Type	Stabilized Fund III Equity	Total Stabilized Capitalization
Loncor Portfolio	Sep-14	London	Residential	36.4	123.0
Millharbour, E14	Nov-15	London	Office	42.0	113.4
Hathaway House, W9	Mar-15	London	Residential	18.4	102.7
109 South 5th Street	Sep-15	New York City	Office	23.1	57.0
80-90 Maiden Lane	Feb-17	New York City	Office	45.1	293.4
One Flabush Avenue	Apr-15	New York City	Mixed-Use	37.1	202.0
SoHo Retail Portfolio	Oct-14	New York City	Retail	49.5	112.8
The Gregory Hotel	Sep-14	New York City	Hotel	40.0	83.2
222 M Street, SW	Aug-16	Washington, D.C.	Residential	22.2	97.4
57 Willoughby Street	Dec-16	New York City	Office / Retail	30.9	98.8
Total				**$344.7**	**$1,283.7**

Portfolio Statistics *

Occupancy Level by Property Type

Office	70%
Retail	51%
Apartments	92%

Lease Expirations Statistics (in square feet)

	Office	*Retail*
1-Year	36,083	1,625
2-Year	31,461	-
3-Year	11,449	-
4-Year	110,828	-
5-Year	16,219	-

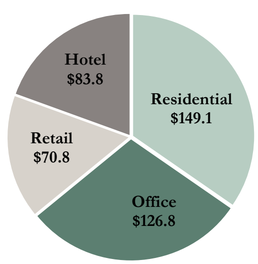
Portfolio Capitalization Summary

	Current	Stabilized
Meadow Fund III Equity	$204.8	$344.7
Total Equity	$283.7	$479.6
Third Party Debt	$581.6	$804.1
Total Capitalization	**$865.3**	**$1,283.7**

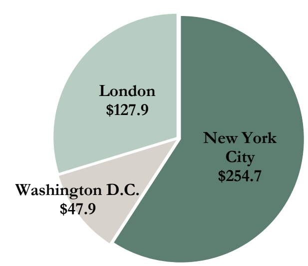
*** Does not include Hathaway House, W9**

Portfolio Composition

Stabilized Fund III Equity by Property Type [1]



Stabilized Fund III Equity by Geographic Distribution [1]



[1] - Includes realized and unrealized investments

Summary of Investments (continued)

($ in millions)

Investment Profile			**Performance Summary**	
Investments to Date: (1)		10	**Fund NAV:**	$208,286,250
Total Fund Equity Invested:	$	204.8		
Average Equity / Investment:	$	20.5	**Contributions:**	$376,611,109
Portfolio LTV:		65.9%	**Capital Distributions:**	$0
Average Debt Interest Rate:		4.6%	**Remaining Equity**	$376,611,109
Average Loan Term:		4 Years	**Income Distributions:**	$112,500,000
			Current Cash Basis:	$264,111,109

(1) Excludes realized investments

Summary of Investments (continued)

Capital Activity

	Quarter-to-Date	Year-to-Date	Since Inception (2)
Contributions	$0	$0	$376,611,109
Distributions			
Preferred Return	$0	$0	$112,500,000
Return of Capital	N/A	N/A	N/A
Promote	N/A	N/A	N/A

Time-Weighted Historical Performance Returns[1]

Gross of Fees (%)	Current Quarter	Year-to-Date	Three Year	Since Inception (2)
Income	0.0%	0.0%	0.0%	0.0%
Appreciation	-6.7%	-12.9%	-17.7%	1.6%
Total (3)	-6.7%	-12.9%	-17.7%	1.6%

Net of Fees (%)(4)	Current Quarter	Year-to-Date	Three Year	Since Inception (2)
Income	-0.2%	-0.8%	-1.1%	-1.4%
Appreciation	-6.7%	-12.9%	-17.1%	0.7%
Total (3)	-6.9%	-13.6%	-18.0%	-0.6%

Performance Multiples

Paid-in-Capital Multiple

$$\frac{\text{Aggregate Capital Received to Date}}{\text{Aggregate Capital Commitments}} = 1.00$$

Realization Multiple

$$\frac{\text{Distributions Since Inception}}{\text{Aggregate Capital Received to Date}} = 0.30$$

Investment Multiple

$$\frac{\text{Distributions Since Inception + NAV}}{\text{Aggregate Capital Received to Date}} = 0.85$$

Residual Multiple

$$\frac{\text{NAV}}{\text{Aggregate Capital Received to Date}} = 0.55$$

(1) Performance returns are calculated using the NCREIF methodology. No applicable benchmark until stabilized operations reached.

(2) Since Inception is defined as the date of the first capital activity.

(3) Total return based on geometric linking of performance for each discrete period within year and will not equal sum of income and appreciation returns.

(4) Net of investment management fees and General Partner carried interest.

Loncor Portfolio | London

INVESTMENT SUMMARY

Property Type:	Residential
Acquisition Date:	September 2014
Fund III Ownership:	100.0%
Investment Type:	Equity - Partner
Property Size:	138 units
Completion Date:	September 2016 / December 2017
Projected Hold Period:	5 years
All-in Basis:	£766 psf / £690 psf
Projected Exit Price:	£1,100 psf / £960 psf
Lender:	Secure Trust Bank
Loan to Cost:	60%
Debt Terms:	399bps; 5 years

CAPITALIZATION SUMMARY

	Current ($MM)	Stabilized ($MM)
Fund Equity:	$21.8	$36.4
Total Equity:	$21.8	$45.5
Third Party Debt:	$35.3	$77.5
Total Capitalization:	$57.1	$123.0

PERFORMANCE SUMMARY

Projected Gross IRR:	6.5%	Contributions:	$51.0
Projected Gross Multiple:	1.5x	Capital Distributions:	$(29.2)
Fair Market Value:	$28,780,807	Remaining Equity:	$21.8
		Income Distributions:	$0.0
		Current Cash Basis:	$21.8

Loncor Portfolio | London

TRANSACTION SUMMARY

Off-market acquisition of two central London properties that have full planning consent to develop new residential buildings (138 units total)

Acquired the properties in partnership with Loncor Homes, an experienced residential operating partner

Both properties were put under contract (with hard deposits) by Loncor in late 2013; Meadow is investing at Loncor's cost basis

Bermondsey is an established and thriving residential market, which has flourished in recent years

Hammersmith is a very popular and attractive residential area with a bustling town center and a pretty riverfront section on the River Thames

INVESTMENT THESIS / BUSINESS PLAN

Off-market acquisition of two well-located assets

Attractive land basis in central London

Acquisition of properties with full detailed planning consent eliminates planning risk

Ability to fix construction costs and start pre-selling units within three months of acquisition

PERFORMANCE UPDATE

Acquired Loncor Homes' interest in the portfolio at cost basis (27% discount to Meadow's assumed exit values); Meadow now owns 100% of the portfolio

Completed refinancing of the portfolio (£29.0 million proceeds, 60% LTV) which released cash to fund Loncor Homes' buyout and created additional partial realization (approximately 40% of peak equity)

Hammersmith (52 units):

26 units remaining; given our protective basis of £766 per square foot (compares well to average pre-sale prices of £1,102 per square foot), we will hold units until prices recover

Rented out remaining units on short-term leases to mitigate the slowdown in sales market; property is fully let

Continue to increase rents at tenant expirations to maximize NOI (average in-place rent is approximately £34 per square foot; 9.3% higher than November 2019 rents)

Bermondsey (86 units):

35 units remaining; demand for central London for-sale properties is increasing - Meadow is progressing unit sales and has sold 4 units with an additional 5 under contract/offer (representing £9.4 million of proceeds) – or an average £964 per square foot

Millharbour, E14 | London

INVESTMENT SUMMARY

Property Type:	Residential /Office
Acquisition Date:	November 2015
Fund III Ownership:	100.0%
Investment Type:	Equity - Direct
Property Size:	319 Units
Delivery:	June 2019
Projected Hold Period:	4 years
All-in Basis:	£22,568 per residential unit
Projected Exit Price:	£125,392 per residential unit
Lender:	Investec Bank
Loan to Cost:	70%
Debt Terms:	L+300 bps, 2 years

CAPITALIZATION SUMMARY

	Current ($MM)	Stabilized ($MM)
Fund Equity:	$19.5	$42.0
Total Equity:	$19.5	$42.0
Third Party Debt:	$21.8	$71.4
Total Capitalization:	$41.3	$113.4

PERFORMANCE SUMMARY

Projected Gross IRR:	18.5%	Contributions:	$51.0
Projected Gross Multiple:	2.2x	Capital Distributions:	$(31.5)
Fair Market Value:	$51,950,549	Remaining Equity:	$19.5
		Income Distributions:	$0.0
		Current Cash Basis:	$19.5

Millharbour, E14 | London

TRANSACTION SUMMARY

Acquisition and recapitalization of the freehold interest in a low-rise mixed-use development situated on a 2.9 acre waterside plot located in the heart of London's Docklands

In 2014, Meadow Fund II provided a mezzanine loan, secured by a second charge against the property

Given continuing default, Meadow Fund II issued a full demand notice for the mezzanine loan in September 2015

Meadow Fund III negotiated the acquisition of an existing senior loan (1st charge) and gained full control of the debt stack

Seller approached Meadow to engage in discussions about a consensual transaction

Meadow negotiated the acquisition of the property in March 2016

INVESTMENT THESIS / BUSINESS PLAN

Off-market acquisition from a distressed seller

Ideal for redevelopment into a high-density, mixed-use asset that offers both office and residential space

A major data center operator signed a pre-let agreement to occupy two redeveloped buildings on the northern section of the Property; the pre-let will produce annual net rent of £2.5 million for a 20-year term

Pre-let was signed in 2012 with the prior owner, however stalled due to lack of funding; intention at acquisition was to step into existing project and get the construction back on track

Underwritten 18-month period to obtain planning permission for 256,000 square feet of residential use on the remainder of the site

PERFORMANCE UPDATE

Sold the redeveloped and pre-let data center on completion to a UK institution at the lowest yield ever achieved in the UK for this type of transaction (16% higher than underwriting)

Obtained planning permission for the residential development (241,606 square feet, 319 units) following appeal process

Potential further upside in submitting minor planning amendments to improve the layout and add 21 additional residential units (bringing total count to 340 units)

Granted permitted development rights to convert office building (Bellerive House) into residential use comprising 65 apartments

Having secured change of use, Meadow has submitted a planning application for a larger residential development for Bellerive House (25 stories, 150 units); approval expected Q1 2022 through the Planning Inspectorate

Meadow is actively working on the exit and/or implementation of the approved development of the residential site

Currently working with a large U.K. housebuilder to sell one of the buildings (ahead of underwriting) and to deliver completed units back to Meadow at an attractive basis

Hathaway House, W9| London

INVESTMENT SUMMARY

Property Type:	Residential / Office
Acquisition Date:	March 2015
Fund III Ownership:	96.0%
Investment Type:	Equity – Dedicated Platform
Property Size:	74 units
Anticipated Delivery:	Q4 2019
Projected Hold Period:	6 years
All-in basis:	£925 per square foot
Projected Exit Price:	£1,200 per square foot
Lender:	A.S.K Partners
Loan to Cost:	60%
Debt Terms:	L+ 750bps; 2 years

CAPITALIZATION SUMMARY

	Current ($MM)	Stabilized ($MM)
Fund Equity:	$7.8	$18.4
Total Equity:	$8.1	$19.2
Third Party Debt:	$19.0	$83.5
Total Capitalization:	$27.1	$102.7

PERFORMANCE SUMMARY

Projected Gross IRR:	13.8%	Contributions:	$27.2
Projected Gross Multiple:	2.1x	Capital Distributions:	$(19.4)
Fair Market Value:	$24,309,663	Remaining Equity:	$7.8
		Income Distributions:	$0.0
		Current Cash Basis:	$7.8

Hathaway House, W9 | London

TRANSACTION SUMMARY

Acquisition of a freehold interest in an underdeveloped office/industrial building on a 0.4 acre site for residential conversion on a completely off-market basis. Meadow Fund III acquired the property in partnership with Meadow Residential

Located in a rapidly gentrifying trendy neighborhood, north of Notting Hill and south of Maida Vale, in London, W9

Situated on a quiet residential street with views over London's famous Grand Union Canal and a Tube station within 500 feet

Adjacent to a low-rise National Health Service ("NHS") medical center that also owns a land-locked surface car park located directly southeast of the property

INVESTMENT THESIS / BUSINESS PLAN

Located within a strategic priority area in the City of Westminster where residential conversion is encouraged and permitted under planning policy; the City of Westminster needs to produce 700 new housing units per year to comply with its own housing targets

Business plan is to redevelop the property into a 12-story residential building (including 74 contemporary residential apartments) with commercial use on the ground floor

All-in costs projected to be £46.8 million (£629 per square foot) in base case

Downside protection: sales values can drop significantly from our base case underwriting and still achieve satisfactory returns

Non-underwritten upside opportunity to unlock more value if the NHS site is brought into an expanded scheme (adding 30+ apartments)

PERFORMANCE UPDATE

Construction of the 14-story mixed-use development comprising 20,478 square feet of flexible office and healthcare space and 74 residential units (including 19 affordable units) completed in Q4 2019

Completed the sale of the affordable element to a Housing Association on completion; achieved better pricing than underwriting (£540 per square foot vs. £285 underwritten)

Closed on the sale of the redeveloped office space at a record low exit yield of 2.65%:

- Pre-let to the NHS (government credit) at a rent of £43.75 per square foot (vs. £27.00 underwritten)
- Meadow increased the lease term from 25 years to 35 years creating substantial additional value

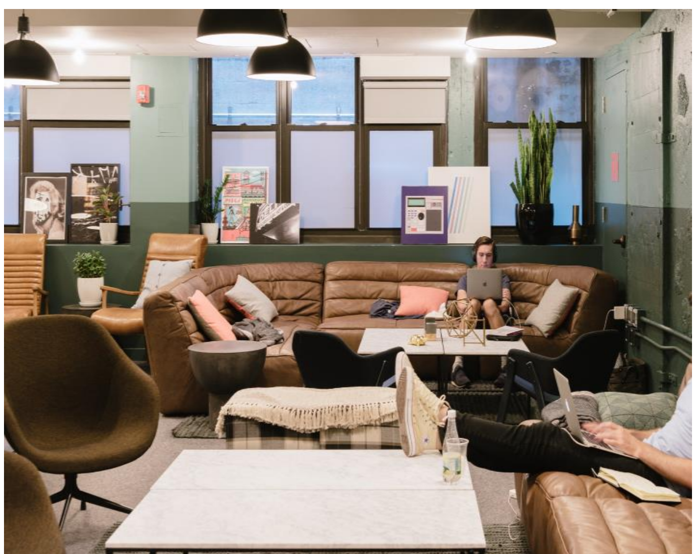
Formal marketing launched in Q1 2020

- Sold 26 apartments with an additional 3 apartments under offer at an average £1,060 per square foot, representing £23.6 million of proceeds (5% above target pricing)

Closed on the refinancing of the unsold units (£25.5 million facility, 60% LTV) which created an additional partial realization; distributed $10.0 million to the Fund

COVID-19 and Brexit have slowed pace of unit sales, but values are holding firm

109 South 5th Street | New York City



INVESTMENT SUMMARY

Property Type:	Office
Acquisition Date:	September 2015
Fund III Ownership:	100%
Investment Type:	Equity - Direct
Property Size:	79,098 square feet
Occupancy at Acquisition:	90%
Projected Hold Period:	4 years
Lender:	Heitman Credit Acquisition I
Debt Terms:	L+3.45%

CAPITALIZATION SUMMARY

	Current ($MM)	Stabilized ($MM)
Fund Equity:	$7.8	$23.1
Total Equity:	$7.8	$23.1
Third Party Debt:	$50.2	$33.9
Total Capitalization:	$58.0	$57.0

PERFORMANCE SUMMARY

Projected Gross IRR:	NM	Contributions:	$23.2
Projected Gross Multiple:	NM	Capital Distributions:	$(15.4)
Fair Market Value:	$0	Remaining Equity:	$7.8
		Income Distributions:	$(2.3)
		Current Cash Basis:	$5.5

109 South 5th Street | New York City

TRANSACTION SUMMARY

Acquisition of the fee simple interest in a 6-story, loft-style office building in South Williamsburg, Brooklyn

Excellent visibility from the Williamsburg Bridge

Located adjacent to and directly behind Fund II's Rocket Lofts investment at 100 South 4th Street., the property features unobstructed light and air on all four sides, ceiling heights of 14 feet on floors two through five and 16 feet on the ground and sixth floors

Sourced directly (with no operating partner) in a privately negotiated transaction from an individual who had owned the property for over 20 years

Seller had maintained the property in exceptional physical condition and had recently completed a renovation of the ground floor and lower ground floor retail space designed by the architect of Chelsea Market

Seller had no other real estate experience and was operating the property himself, without third party management or institutional leasing brokers; leasing efforts consisted of listings on the building's website and a small sign printed from a personal computer hung on one of the windows

INVESTMENT THESIS / BUSINESS PLAN

South Williamsburg has undergone a dramatic change from what was once an area populated by warehouses and manufacturing plants to a highly desirable live/work neighborhood in Brooklyn

Property is unique to the submarket, as the majority of loft-style buildings in the neighborhood have been converted to residential use, creating a supply and demand imbalance for the influx of office tenants

Property was leased significantly below market at acquisition (average rental rate of $26 per square foot as compared to market rents of $50 per square foot for comparable properties); further, all leases contained a provision allowing Meadow to terminate them upon purchase of the property

Although conducive to multi-tenanting, immediately following closing we executed a lease with WeWork to net lease the entire building for $44 per square foot triple net, including what was originally conceived of as basement and ground floor retail space

PERFORMANCE UPDATE

Since acquisition, 76% of capital has been returned through a refinancing and cashflow distributions

Executed lease amendment with WeWork to accelerate the expiration date of the lease to September 30th, 2020 and to allow us to draw down on the full amount of their letter of credit security and an additional termination payment to service debt and capitalize a new business plan

Executed a management agreement with IWG to step in and operate the property using WeWork's existing buildout, limiting any new capital to stabilize the asset

Restructured the debt, passing off all cash flow liabilities to the lender while maintaining a share of the upside

Given prognosis for the coworking industry in general after COVID-19, we have opted to fully write off our remaining investment

80-90 Maiden Lane | New York City

INVESTMENT SUMMARY

Property Type:	Office
Acquisition Date:	February 2017
Fund III Ownership:	30.4%
Investment Type:	Equity - Partner
Property Size:	608,708 square feet
Occupancy at Acquisition:	95.4%
Projected Hold Period:	4 years
Stabilized Basis:	$523 per square foot
Projected Exit Price:	$744 per square foot
Lender:	Invesco
Loan to Value:	75%
Debt Terms:	L+230; 3+1+1 years

CAPITALIZATION SUMMARY

	Current ($MM)	Stabilized ($MM)
Fund Equity:	$26.6	$45.1
Total Equity:	$87.5	$148.4
Third Party Debt:	$234.3	$145.0
Total Capitalization:	$321.8	$293.4

PERFORMANCE SUMMARY

Projected Gross IRR:	12.0%	Contributions:	$47.4
Projected Gross Multiple:	1.8x	Capital Distributions:	$(20.8)
Fair Market Value:	$44,890,004	Remaining Equity:	$26.6
		Income Distributions:	$0.0
		Current Cash Basis:	$26.6

80-90 Maiden Lane | New York City

TRANSACTION SUMMARY

Acquisition of a 30.4% controlling fee-simple interest in two adjoining office buildings located in the heart of the Financial District in downtown Manhattan

Sourced directly in a privately negotiated transaction with Normandy Real Estate Partners; negotiated an off-market recapitalization and pre-empted a planned marketing process

80 Maiden Lane is a 25-story office building completed in 1912 (560,000 square feet of office and 19,000 square feet of retail)

90 Maiden Lane is a four story landmarked cast-iron loft office building, long associated with the Roosevelt family (28,000 square feet)

Central location within a 10-minute walk to: World Trade Center, Wall Street, New York Stock Exchange, Fulton Street Transportation Hub and retail corridor, and South Street Seaport

INVESTMENT THESIS / BUSINESS PLAN

Substantial institutional quality asset at an attractive basis of $481 per square foot, a discount to current sales comparables and a 35% discount to replacement cost

Ability to increase rents while maintaining contractual income during the hold period offers a compelling blend of income stability and upside potential

Mark-to-market of in-place leases results in an 8.2% yield; net operating income is projected to grow over 80% in the first five years and nearly 250% over a ten-year hold due to below market rents

95% occupied at acquisition with 24% of leases rolling in the first 4 years; average in-place rental rate is $34 per square foot (a 38% discount to underwritten market rents of $55 per square foot)

Outstanding transportation access; within a short walk to eight MTA subway lines (2, 3, 4, 5, J, Z, N, R) and the PATH train

$14.7 million capital improvement budget includes lobby and elevator modernization, elevator cab replacement, replacement of building systems and new retail storefronts

PERFORMANCE UPDATE

With the completion of the lower level façade and retail storefront renovation, all base building upgrades are now complete

Executed lease on large vacant retail space with a food tenant and a new office lease for floors 5 and 6 above underwritten office rents, and also created a private entrance on Cedar Street which, as a result, picked up non-underwritten retail rent

Significant interest and large number of tours since formally launching our marketing campaign for the remaining vacancy pre-COVID

Strong rent collection during COVID-19 period given significant government credit; however, the pandemic continues to slow down prospective tenant leasing activity

Cash neutral refinancing closing in Q4 2021

Completing targeted prebuild program for marketing purposes

One Flatbush Avenue | New York City

INVESTMENT SUMMARY

Property Type:	Residential/Retail
Acquisition Date:	April 2015
Fund III Ownership:	74.4%
Investment Type:	Equity - Partner
Property Size:	183 units; 135,083 square feet
Delivery:	Q4 2018
Projected Hold Period:	5 years
Stabilized Basis:	$1,149 per square foot
Projected Exit Price:	$1,359 per square foot
Lender:	Sterling Bank
Loan to Value:	65%
Debt Terms:	3.50%; 3+1+1 years

CAPITALIZATION SUMMARY

	Current ($MM)	Stabilized ($MM)
Fund Equity[1]:	$26.4	$37.1
Total Equity:	$35.4	$49.8
Third Party Debt:	$31.8	$152.2
Total Capitalization:	$67.2	$202.0

PERFORMANCE SUMMARY

Projected Gross IRR:	NM	Contributions[2]:	$33.4
Projected Gross Multiple:	NM	Capital Distributions:	$(7.0)
Fair Market Value:	$16,302,045	Remaining Equity:	$26.4
		Income Distributions:	$0.0
		Current Cash Basis:	$26.4

(1) - Excludes $10.0 million co-investment
(2) - Excludes $10.6 million contributed to 570 Fulton

One Flatbush Avenue | New York City

TRANSACTION SUMMARY

Recapitalized a shovel-ready, mixed-use development site in partnership with the existing developer, Slate Property Group

Opportunity to develop a brand new multi-family rental and retail property in one of the best locations in Brooklyn

Will include 183 apartments (80% market rate and 20% affordable) and 25,000 square feet of retail space

Prominently located at the corner of Flatbush Avenue and Fulton Street in downtown Brooklyn

Within three blocks of major Brooklyn attractions, including Barclays Center, City Point, Fulton Mall, Long Island University, and Brooklyn Academy of Music

Transit-oriented site; within three blocks of 10 different subway lines as well as the Long Island Railroad and sits directly above the 2,3,4,5 subway lines at the Nevins Street subway station

Neighboring parcel located at 570 Fulton Street was acquired in Q3 2015 with the intention of upzoning the site by taking it through the ULURP process

INVESTMENT THESIS / BUSINESS PLAN

Property will be one of the most desirable and attractive apartment buildings in Brooklyn due to its quality, amenity package and location

Attractive land basis and a 25-year 421a tax abatement allow for multi-family rental feasibility versus having to pursue a for-sale luxury condominium business plan in order to achieve target returns

Located in the heart of Downtown Brooklyn's retail corridor with exceptional visibility, protected light and air on three sides, generous ceiling heights, superb transit options, and a central location in what has become one of New York City's most vibrant 24/7 neighborhoods

Opportunity to develop prime, purpose-built, flagship retail that is superior to the old repurposed buildings on the Fulton Mall (the bulk of the neighborhood's retail supply)

PERFORMANCE UPDATE

Changes to New York City rent regulations enacted in 2019 had a significant impact on exit pricing; successfully converted the building from the old 421a tax abatement program to the new Affordable New York program in an effort to reduce the negative impact from regulation changes; closed on a sale of the residential component for $101.4 million (4.5% cap) to an affiliate of Goldman Sachs in June 2020

Executed a 15-year lease with Bank of America to occupy 8,000 square feet across the ground and second floors of the retail for $250 per square foot on the ground and $71 per square foot on the second floor, with 15% rent increases every 5 years; actively marketing the remaining 17,381 square feet of vacant retail

Closed on a refinancing of the retail component in June 2020 at a 3.5% fixed rate; loan will capitalize go-forward leasing costs and shortfalls

COVID-19 pandemic has made development of 570 Fulton economically unfeasible; assigned our interest to the preferred equity member in Q1 2021

As retail leasing has regained momentum, currently in discussions with a number of restaurant tenants to occupy space

SoHo Retail Portfolio | New York City

INVESTMENT SUMMARY

Property Type:	Retail
Acquisition Date:	October 2014
Fund III Ownership:	62.4%
Investment Type:	Equity - Partner
Property Size:	11,000 square feet
Occupancy at Acquisition:	100%
Projected Hold Period:	5 years
Current Occupancy:	100%
Current Tenants:	Swarovski
Lender:	Metropolitan Commercial Bank
Loan to Cost:	62.0%
Debt Terms:	L+410; 2+1+1 years

CAPITALIZATION SUMMARY

	Current ($MM)	Stabilized ($MM)
Fund Equity:	$11.7	$49.5
Total Equity:	$18.8	$56.7
Third Party Debt:	$4.7	$56.1
Total Capitalization:	$23.5	$112.8

PERFORMANCE SUMMARY

Projected Gross IRR:	NM	Contributions[1]:	$11.7
Projected Gross Multiple:	NM	Capital Distributions:	$0.0
Fair Market Value:	$3,653,971	Remaining Equity:	$11.7
		Income Distributions:	$0.0
		Current Cash Basis:	$11.7

[1] - Excludes $47.6 million contributed to 119-121 Spring Street

SoHo Retail Portfolio | New York City

TRANSACTION SUMMARY

Investment in a portfolio of prime ground floor retail properties in SoHo through three separate transactions

121 Spring Street – Acquired a leasehold interest in a retail condominium at the corner of Spring and Greene Streets (3,300 square feet) subleased at acquisition to American Apparel at below-market rent through April 2019

119 Spring Street – Acquired a leasehold interest in a retail co-operative immediately adjacent to 121 Spring Street (3,200 square feet) subleased at acquisition to women's fashion retailer Dash at below-market rent through September 2015

542 Broadway – Originated a $12.9 million high-yield senior loan on a retail condominium on one of the most highly trafficked blocks on Broadway (4,500 square feet) encumbered by a below-market defaulted master lease

INVESTMENT THESIS / BUSINESS PLAN

Construct a portfolio of prime SoHo retail properties on a completely off-market basis at significant discounts to fee simple value

119-121 Spring Street – situated on the prime corner of one of the most coveted blocks in SoHo, location is highly desirable to international luxury retailers; acquisition pricing represents an unlevered 6.9% and 8.3% yield to final maturity of the master leases at 119 Spring and 121 Spring, respectively

Master leases had short remaining terms (18 years for 121 Spring and 33 years for 119 Spring)

Business plan was to extend the master leases or purchase the fee interests in both properties and re-tenant at market rents upon expiration or earlier if able to strike a buyout of the American Apparel sublease

542 Broadway – Loan accrues interest at a 20% rate with a fully extended term of 2 years and is downside protected as lender's cash basis represents less than 50% of intrinsic property value

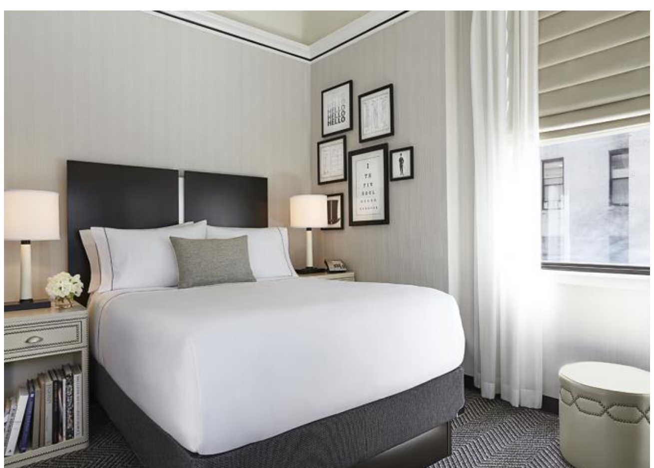
PERFORMANCE UPDATE

New York City retail landscape (even prime locations) remains extremely challenging with market rents significantly below underwriting and limited leasing activity

119-121 Spring Street – effectuated a deed-in-lieu in order to terminate all potential carry liability; as a result, we fully wrote off our remaining investment

542 Broadway – executed a lease with Swarovski (the upscale European crystal retailer) to lease one of the two vacant retail units; Swarovski completed its buildout and opened April 2021; activity increased dramatically for the remaining vacant suite in Q3 2021

The Gregory Hotel | New York City



INVESTMENT SUMMARY

Property Type:	Hotel
Acquisition Date:	September 2014
Fund III Ownership:	98.5%
Investment Type:	Equity - Direct
Property Size:	132 Keys
Projected Hold Period:	7 Years
Lender:	Alliance Bernstein, Related
Loan to Cost:	65.4%
Debt Terms:	8.0%; 2+1+1 years

CAPITALIZATION SUMMARY

	Current ($MM)	Stabilized ($MM)
Fund Equity:	$35.8	$40.0
Total Equity:	$36.3	$40.6
Third Party Debt:	$42.6	$42.6
Total Capitalization:	$78.9	$83.2

PERFORMANCE SUMMARY

Projected Gross IRR:	NM	Contributions:	$35.8
Projected Gross Multiple:	NM	Capital Distributions:	$0.0
Fair Market Value:	$(4,209,244)	Remaining Equity:	$35.8
		Income Distributions:	$0.0
		Current Cash Basis:	$35.8

The Gregory Hotel | New York City

TRANSACTION SUMMARY

Acquisition of the fee simple interest in a well-located 132-key hotel in midtown Manhattan

After a failed marketing process, property was acquired directly (with no operating partner) for $378,800 per key

Located in Herald Square at 42 West 35th Street, between Fifth and Sixth Avenues, the Property is within close proximity to the Empire State Building, Macy's flagship store, Times Square and Madison Square Garden

Property had been operating as a Comfort Inn since 1985, however franchise agreement was terminated upon acquisition

Hotel had been owned by a family with no other lodging experience for the past thirty years; hotel was marketed for sale after patriarch passed away

INVESTMENT THESIS / BUSINESS PLAN

Despite prime location, Hotel had relied heavily on lower-rated leisure, online travel agent, and wholesale tour demand to fill room nights due to affiliation with the weak Comfort Inn brand as well as dated common areas

Business plan at acquisition was to renovate and reposition the hotel from a Comfort Inn to a 3½ star independent boutique hotel

Renovation included upgrading dated common areas (lobby, entrance, façade), modernizing rooms, and improving bed mix (creating more King rooms)

Former non-institutional independent management company (with limited sales and marketing support and a part-time out-of-town general manager) was replaced with an institutional manager under a flexible/terminable hotel management agreement

PERFORMANCE UPDATE

Due to the on-going COVID-19 crisis, The Gregory Hotel has been closed since March 28, 2020 and remains closed for the foreseeable future

Given prognosis for prolonged recovery in the NYC hotel market after COVID-19, we opted to fully write off our remaining investment and are in discussions with our lenders on different potential outcomes including change of use, debt restructuring, or a transition of ownership

Our senior lender commenced unopposed foreclosure proceedings against owner on April 29, 2021 while simultaneously entering into a forbearance agreement in which senior lender has agreed to forbear on pursuing recourse liability following January 31, 2022

222 M Street, SW | Washington, D.C.

INVESTMENT SUMMARY

Property Type:	Residential
Acquisition Date:	August 2016
Fund III Ownership:	95.0%
Investment Type:	Equity - Partner
Property Size:	221 Units
Delivery:	October 2018
Projected Hold Period:	4 years
Stabilized Yield on Cost:	6.7%
Projected Exit Cap Rate:	4.5%
Lender:	Mack Credit Strategies
Loan to Value:	75%
Debt Terms:	L+315; 4+1 years

CAPITALIZATION SUMMARY

	Current ($MM)	Stabilized ($MM)
Fund Equity:	$21.1	$22.2
Total Equity:	$22.2	$23.4
Third Party Debt:	$74.0	$74.0
Total Capitalization:	$96.2	$97.4

PERFORMANCE SUMMARY

Projected Gross IRR:	2.7%	Contributions:	$21.1
Projected Gross Multiple:	1.2x	Capital Distributions:	$0.0
Fair Market Value:	$23,890,029	Remaining Equity:	$21.1
		Income Distributions:	$0.0
		Current Cash Basis:	$21.1

222 M Street, SW | Washington, D.C.

TRANSACTION SUMMARY

Off-market recapitalization of a nearly shovel-ready multi-family rental development in partnership with Trammell Crow Company

Opportunity to develop a new 221-unit multi-family rental building with a 139 space underground parking garage, with ten percent of the apartments designated as affordable

Located at the intersection of M Street and Delaware Avenue in the southwest submarket of Washington, D.C., a rapidly gentrifying waterfront neighborhood

Walkable, amenity-rich environment (only a few minutes' walk from the Potomac riverfront, a Safeway grocery store, Starbucks, Bank of America, CVS drugstore and the Wharf, a 24-acre mixed use waterfront destination)

Transit-oriented; across the street from Waterfront Metro station (green line)

INVESTMENT THESIS / BUSINESS PLAN

Strong repeat relationship with development partner who has an excellent track record of delivering projects on time and on budget

Seller, St. Matthew's Lutheran Church, had previously run an RFP process to identify a partner to redevelop their structurally-deficient facilities

Trammell Crow signed an agreement with the Church to redevelop the property into a mixed-use residential and community facility project

Very attractive acquisition structure with no upfront land cost

Meadow replaced Trammell Crow's original capital partner, a high-net-worth investor, after a disagreement on partnership terms

At acquisition, the site was fully approved and awaiting building permits, which significantly reduced pre-development risk

24-month construction period

Total development budget of $88 million, including contingencies, generates a stabilized yield on cost of 6.7%, well in excess of market yields for institutional quality multi-family projects in the D.C. area

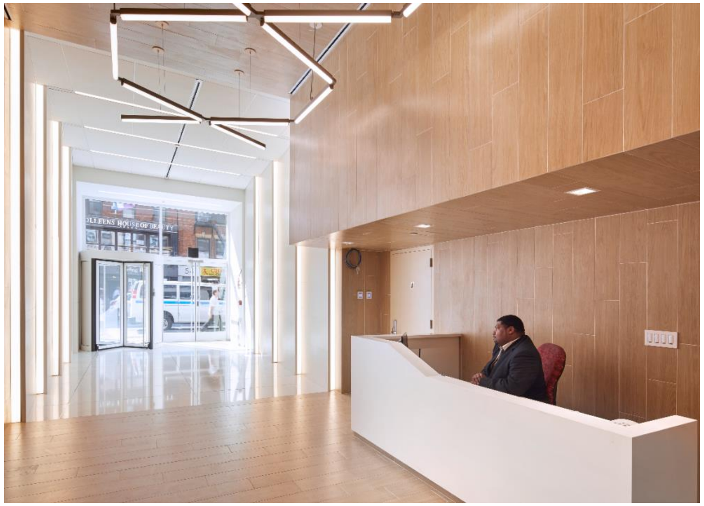
PERFORMANCE UPDATE

Achieved record high occupancy of 94% in July as leasing velocity has picked up tremendously

Delinquencies continue to present a problem; the DC government enacted legislation during the pandemic to protect renters

Will explore capital events in Q1 2022

57 Willoughby Street | New York City



INVESTMENT SUMMARY

Property Type:	Office
Acquisition Date:	December 2016
Fund III Ownership:	100%
Investment Type:	Equity - Direct
Property Size:	123,974 square feet + 111,495 square feet of unused air rights
Occupancy at Acquisition:	95.8%
Projected Hold Period:	4 years
Stabilized Yield on Cost:	6.9%
Projected Exit Cap Rate:	5.25%
Lender:	Fortress
Loan to Cost:	75%
Debt Terms:	L+425; 3+1+1 years

CAPITALIZATION SUMMARY

	Current ($MM)	Stabilized ($MM)
Fund Equity:	$26.3	$30.9
Total Equity:	$26.3	$30.9
Third Party Debt:	$67.9	$67.9
Total Capitalization:	$94.2	$98.8

PERFORMANCE SUMMARY

Projected Gross IRR:	0.4%	Contributions:	$26.3
Projected Gross Multiple:	1.0x	Capital Distributions:	$0.0
Fair Market Value:	$19,158,596	Remaining Equity:	$26.3
		Income Distributions:	$0.0
		Current Cash Basis:	$26.3

57 Willoughby Street | New York City

TRANSACTION SUMMARY

Acquisition of the fee simple interest in an existing 123,974 square foot 6-story office building (with an additional 111,495 square feet of unused air rights) located in downtown Brooklyn

Property was acquired directly (with no operating partner) at an attractive basis of $436 per square foot / $229 per total FAR

Lower acquisition price achieved after failed marketing process; property was marketed as a condominium development site and placed under hard contract for sale; when prospective buyer defaulted, Meadow was provided the opportunity to purchase at a lower price

Well-located, transit-oriented property with excellent light and air and exceptional ceiling heights proximate to 11 subway lines (including sitting atop the Jay Street/MetroTech station)

Seller, Helen Keller Services ("HKS", a non-profit organization), had been owner/operator since 1953 but had dramatically shrunk its tenancy over time

HKS intends to lease Class B space elsewhere and monetize the real estate to create an endowment for the non-profit

INVESTMENT THESIS / BUSINESS PLAN

Well-built but mismanaged asset acquired from a long-term, non-profit owner at an attractive basis (25%+ discount to replacement cost)

Opportunity to invest in one of the strongest office submarkets in New York City with a current overall vacancy rate of 5%; further supply/demand mismatch arising from comparable older vintage buildings being significantly repositioned to a much higher-end tenancy and rent target

Utilize in-house asset management capability along with third-party institutional management and leasing to unlock substantial value through a mix of capital improvements and leasing

Significant immediate lease roll provides ability to grow the yield on cost to nearly 7.0% within the first two years of ownership

Executed a short-term license agreement with HKS allowing them to stay in their space for six months post-closing with four six-month extension options, while they relocate; if HKS fails to vacate promptly and remains in its space for two years, Meadow is contractually able to increase rent to market without investing any capital into tenant improvements or leasing commissions

Transaction structure allows Meadow to finalize its renovation plan while preserving cash flow

PERFORMANCE UPDATE

Negotiated a lease with a non-profit to take all of the remaining office space (63,375 square feet) as well as the least desirable retail space along Lawrence Street (4,304 square feet)

Given the lack of leasing velocity in the Downtown Brooklyn market, Meadow decided to move forward with non-profit despite the rent being below underwriting

Executed leases with a salad shop for the corner and a quick service restaurant for the space adjacent to the lobby

The property is now 100% leased

Refinanced existing debt to capitalize the build-out costs for the remainder of the building

Ongoing discussions with neighboring property owner to sell our air rights

UNAUDITED FINANCIAL STATEMENTS

Nine Months Ended September 30, 2021

Unaudited Financial Statements

Meadow Real Estate Fund III LP
Nine Months Ended September 30, 2021

Meadow Real Estate Fund III LP

Financial Statements
(Unaudited)

Nine Months Ended September 30, 2021

Contents

Meadow Real Estate Fund III LP

Statement of Assets, Liabilities and Partners' Capital
(Unaudited)

September 30, 2021

Assets		
Investments in real estate, at fair value (at cost: $204,801,396)	$	208,726,420
Cash and cash equivalents		224,630
Other assets		21,206
Total assets	$	208,972,256
Liabilities and partners' capital		
Liabilities:		
Accounts payable and accrued expenses	$	544,174
Due to affiliates		141,832
Total liabilities		686,006
Partners' capital:		
General Partner		2,396,936
Limited Partners		205,889,314
Total partners' capital		208,286,250
Total liabilities and partners' capital	$	208,972,256

See accompanying notes.

Meadow Real Estate Fund III LP

Schedule of Investments
(Unaudited)

September 30, 2021

Investments	Acquisition Date	Location	Asset Type	Percent Ownership		Cost Basis		Estimated Fair Value
The Gregory Hotel	9/29/2014	New York, NY	Hotel	98.5%	$	35,781,729	$	(4,209,244)
542 Broadway	12/19/2014	New York, NY	Retail	62.4		11,721,420		3,653,971
One Flatbush Avenue	4/6/2015	Brooklyn, NY	Residential Apartments	74.5		26,366,735		16,302,045
109 South 5th Street	9/22/2015	Brooklyn, NY	Office	100.0		7,797,521		-
222 M Street, SW	8/11/2016	Washington, D.C.	Residential Apartments	95.0		21,097,921		23,890,029
57 Willoughby Street	12/22/2016	Brooklyn, NY	Office	100.0		26,307,661		19,158,596
80-90 Maiden Lane	2/13/2017	New York, NY	Office	30.4		26,586,773		44,890,004
Total USA investments						155,659,760		103,685,401
Loncor Portfolio	9/19/2014	London, UK	Residential Apartments	100.0		21,799,233		28,780,807
Hathaway House, W9	3/20/2015	London, UK	Residential Apartments	96.0		7,852,524		24,309,663
Millharbour, E14	11/17/2015	London, UK	Office	100.0		19,489,879		51,950,549
Total UK investments						49,141,636		105,041,019
Total investments					$	204,801,396	$	208,726,420

See accompanying notes.

Meadow Real Estate Fund III LP

Statement of Operations
(Unaudited)

For the Nine Months Ended September 30, 2021

	Quarter to Date	Year to Date
Revenues:		
Interest income	$ 44,236	$ 132,046
Total revenues	44,236	132,046
Expenses:		
Investment management fees	544,174	1,779,884
General and administrative	17,229	96,036
Professional fees	9,750	151,955
Total expenses	571,153	2,027,875
Net investment loss	(526,917)	(1,895,829)
Net change in unrealized appreciation on real estate investments, including foreign currency exchange and derivatives	23,371,804	45,628,902
Realized loss on real estate investments, including foreign currency exchange and derivatives	(38,359,019)	(76,600,561)
Total unrealized appreciation and realized loss	(14,987,215)	(30,971,659)
Net decrease in partners' capital resulting from operations	$ (15,514,132)	$ (32,867,488)

See accompanying notes.

Meadow Real Estate Fund III LP

Statement of Changes in Partners' Capital
(Unaudited)

For the Nine Months Ended September 30, 2021

	General Partner	Limited Partners	Total
Partners' capital, December 31, 2020	$ 2,707,812	$ 238,445,926	$ 241,153,738
Net decrease in partners' capital resulting from operations	(310,876)	(32,556,612)	(32,867,488)
Partners' capital, September 30, 2021	$ 2,396,936	$ 205,889,314	$ 208,286,250

See accompanying notes.

Meadow Real Estate Fund III LP

Statement of Cash Flows
(Unaudited)

For the Nine Months Ended September 30, 2021

	Quarter to Date	Year to Date
Operating activities		
Net decrease in partners' capital resulting from operations	$ (15,514,132)	$ (32,867,488)
Adjustments to reconcile net decrease in partners' capital resulting from operations to net cash used in operating activities:		
Net change in unrealized appreciation on real estate investments, including foreign currency exchange and derivatives	(23,371,804)	(45,628,902)
Realized loss on real estate investments, including foreign currency exchange and derivatives	38,359,019	76,600,561
Accrued interest income	(44,236)	(132,046)
Purchase of real estate investments	(2,661,111)	(6,928,691)
Distributions from real estate investments	1,237,990	3,795,141
Decrease in other assets	25,333	151,467
Decrease in due from affiliates	-	1,637
Increase in accounts payable and accrued expenses	544,174	405,807
Increase in due to affiliates	1,659	141,832
Net cash used in operating activities	(1,423,108)	(4,460,682)
Net change in cash and cash equivalents	(1,423,108)	(4,460,682)
Cash and cash equivalents, beginning of period	1,647,738	4,685,312
Cash and cash equivalents, end of period	$ 224,630	$ 224,630

See accompanying notes.

Meadow Real Estate Fund III LP

Notes to Financial Statements
(Unaudited)

September 30, 2021

1. Organization

Meadow Real Estate Fund III LP (the "Fund") is a Delaware limited partnership formed to invest in real estate related assets. The Limited Partnership Agreement (the "Partnership Agreement") is dated as of March 26, 2014 and was amended and restated on May 8, 2014 and June 9, 2014. The General Partner of the Fund is Meadow Real Estate Fund III GP LP. Meadow Capital Management, LLC, an affiliate of the General Partner, is the Investment Manager of the Fund.

The General Partner and the Limited Partners are collectively referred to as the "Partners". Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Partnership Agreement.

The purpose of the Fund is (a) to identify potential Investments, (b) to acquire, hold, finance, manage and dispose of Investments, (c) pending utilization or disbursement of funds, to invest such funds in accordance with the terms of the Partnership Agreement, and (d) to do everything necessary or desirable for the accomplishment of the above purposes.

Certain Fund investments have been co-invested with affiliated entities managed by commonly controlled general partners.

The liability of the Limited Partners is limited to the amount of Capital Contributions required to be made by such Limited Partner in accordance with the provisions of the Partnership Agreement.

The term of the Fund commenced on May 8, 2014 and will continue until the eighth anniversary of the last subsequent closing date (June 9, 2023). The term of the Fund may be extended by the General Partner for an additional one-year period upon notice to the Limited Partners and for a second consecutive year with the consent of the Advisory Committee (as defined in the Partnership Agreement).

Contributions

Total Capital Commitments of the Fund are $376,611,109.

The Fund's Commitment Period ended on May 8, 2017.

1. Organization (continued)

Distributions

Investment Proceeds related to each of the Fund Investments, as defined by the Partnership Agreement, are distributed among the General Partner and Participating Partners, as defined by the Partnership Agreement, as follows:

a. First, 100% to the Participating Partners until the cumulative amount of Investment Proceeds then and previously distributed to such Participating Partners is equal to 10% per annum, compounded annually on such Participating Partner's aggregate Capital Contributions, calculated from the relevant Drawdown Date, to the date such Capital Contributions are returned to such Participating Partner (the "Preferred Return");

b. Second, 100% to the Participating Partners until the cumulative amount of Investment Proceeds then and previously distributed to such Participating Partner equals the Participating Partner's aggregate Capital Contributions;

c. Third, 50% to the General Partner and 50% to the Participating Partners until the General Partner has received 20% of the sum of (x) distributions by way of Preferred Return and (y) distributions to such Participating Partner and the General Partner pursuant to this section c;

d. Thereafter, 80% to Participating Partners and 20% to the General Partner.

Amounts received by the General Partner pursuant to the distribution priorities above are subject to a "Clawback" as defined in the Partnership Agreement. To the extent net proceeds generated from the liquidation of the Fund's assets are not sufficient to provide each Limited Partner with their share of such liquidation proceeds (such share for each Limited Partner being determined per the terms of the Partnership Agreement), then the General Partner shall contribute to the Fund an amount sufficient to satisfy the balance of such obligation.

Allocation of Net Income and Net Loss

Net income and net loss are allocated among the Partners so that immediately after such allocation, each Partner's Capital Account is equal proportionally to distributions that would be made upon a hypothetical sale of the Fund's assets, at fair value, less satisfaction of liabilities.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP") for an Investment Company, pursuant to which investments in real estate entities are presented on a fair value basis. The Fund qualifies as an Investment Company as defined in Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC"), Topic 946, *Financial Services – Investment Companies* ("ASC 946").

Use of Estimates

The preparation of the financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could vary from those estimates.

Cash and Cash Equivalents

The Fund considers cash and short-term investments with original maturities of three months or less when purchased to be cash and cash equivalents. Cash and cash equivalents includes foreign currency which is translated into U.S. dollars at the closing exchange rate at the reporting date. As of September 30, 2021, there is no British Pound Sterling included in cash and cash equivalents.

Risk Management

In the normal course of business, the Fund encounters economic risk, including interest rate risk, credit risk, foreign currency risk and market risk.

Interest rate risk is the result of movements in the underlying variable component of the financing rates. The Fund uses, and may continue to use, interest rate caps or swaps to manage exposure to interest rate changes.

2. Summary of Significant Accounting Policies (continued)

Credit risk is the risk of default on the Fund’s real estate investments that results from an underlying third party’s inability or unwillingness to make contractually required payments. The Fund is exposed to various levels of credit risk depending on the nature of the underlying investments. The Fund reviews and monitors credit risk and other risks of loss associated with each investment. In addition, the Fund seeks to diversify its portfolio of assets to avoid undue geographic, issuer, industry and certain other types of concentrations.

Foreign currency risk is the effect of exchange rate movements of foreign currencies against the dollar. The Fund may enter into forward contracts and may purchase foreign currency options to minimize the effect of fluctuating foreign currencies on its future cash flows from investments.

Market risk reflects changes in the valuation of real estate investments held by the Fund. These risks are highly sensitive to many factors, including governmental monetary and tax policies, domestic economic and political considerations and other factors that are beyond the Fund's control.

Financial instruments, which potentially subject the Fund to concentrations of credit risk, consist principally of temporary cash investments. The Fund places its temporary cash investments in high credit financial institutions. However, a portion of temporary cash investments may exceed FDIC insured levels from time to time.

On June 23, 2016, the U.K. held a referendum in which voters approved an exit from the European Union (“E.U.”), commonly referred to as “Brexit”. As a result of the referendum, on March 29, 2017 the U.K Prime Minister signed a letter triggering Article 50 of the Treaty of Lisbon, giving the British government two years to negotiate the terms of the U.K.’s relationship with the E.U. post-exit. On January 31, 2020, the U.K. exited the E.U. marking the beginning of the transition period which lasted until December 31, 2020. The EU-UK Trade and Cooperation Agreement, which has three main pillars, (i) trade, (ii) cooperation, and (ii) governance was agreed to and signed on December 30, 2020, and took effect on January 1, 2021.The implication on the U.K. economy and how this may impact the Fund is unknown.

2. Summary of Significant Accounting Policies (continued)

During 2020 and continuing into 2021, there has been a global outbreak of a novel coronavirus ("COVID-19"), which has forced many countries, including the United States and the U.K., to declare national emergencies, to institute "stay-at-home" orders, to close financial markets and to restrict operations of non-essential businesses. Such actions are creating significant disruptions in global supply chains, and adversely impacting many industries. COVID-19 could have a continued and prolonged adverse impact on economic and market conditions and could trigger a period of global economic slowdown. The impact of COVID-19 on companies is evolving rapidly, and the

extent and duration of the economic fallout from this pandemic, both globally and to our business, remain unclear, making any estimate or assumption as of September 30, 2021 inherently less certain than they would be absent the current and potential impacts of COVID-19. Actual results could differ from those estimates. Any public health emergency, including any outbreak of COVID-19 or other existing or new epidemic diseases, or the threat thereof, and the resulting financial and economic market uncertainty could have a significant adverse impact on the Fund, including the fair value of its investments.

Investments, at Fair Value

Investments, at fair value include real estate investments that are generally structured as equity, preferred equity, mezzanine debt, and participating debt in entities domiciled primarily in the United States and the United Kingdom. Investments may include hotels, office buildings, residential apartments, retail, and debt. The Fund also reflects its real estate equity investments net of investment level financing. The Fund's equity percentage interest in certain investments may be reduced by the joint venture partner's residual interest for returns realized in excess of specific hurdle rates of return. Such residual interests have been considered in the related investment valuation. The determination of the fair value of investments held by the Fund may require significant judgment or estimation. For information regarding the valuation of the assets, see Note 3.

2. Summary of Significant Accounting Policies (continued)

Derivatives

The Fund may enter into forward foreign currency exchange contracts or purchase option contracts primarily to hedge against foreign currency exchange rate risks on its non-U.S. dollar denominated investments. When entering into a forward currency or option contract, the Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. The Fund recognizes all derivatives on the Statement of Assets, Liabilities and Partners' Capital at fair value and net unrealized gain/loss on derivatives in the Statement of Operations. These contracts are valued quarterly by measuring the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date. Unrealized gains/losses are included in the net change in unrealized appreciation/(depreciation) on real estate investments, including foreign currency exchange and derivatives in the Statement of Operations. These instruments involve market risk, credit risk, or both kinds of risk, in excess of the amount recognized on the derivative. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movements in currency and securities values and interest rates.

Foreign Currency Transactions and Translation

Transactions denominated in foreign currencies are recorded in U.S. dollars at actual exchange rates on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the closing exchange rate at the end of the reporting period. The portion of unrealized appreciation/(depreciation) resulting from changes in foreign exchange rates on investments in real estate is recorded on a periodic basis as a component of the net change in unrealized appreciation/(depreciation) on real estate investments, including foreign currency exchange and derivatives in the accompanying Statement of Operations.

Revenue Recognition

Distributions of earnings from investments in real estate are recognized as net earnings from investments when received to the extent distributed from the estimated taxable earnings and profits of the underlying investee.

Interest Income

Interest income, which includes contracted interest, is recognized over the life of the note using the effective interest method.

2. Summary of Significant Accounting Policies (continued)

Income Taxes

The Fund has elected to be taxed as a partnership for federal and state income taxes. Accordingly, no provision has been made for federal and state income taxes for the Fund, in the financial statements, since each partner includes its proportionate share of income or loss in its respective income tax return.

ASC 740-10, *Income Taxes*, ("ASC 740-10") also provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. ASC 740-10 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax provisions are more-likely-than-not of being sustained upon examination by the applicable tax authority, based on the technical merits of the tax position, and then recognizes the tax benefit that is more-likely-than-not to be realized. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense in the current reporting period. Management believes any such position would be immaterial to the financial statements.

Tax years since 2018 are open and remain subject to federal, state and local examinations.

3. Fair Value Measurements

US GAAP defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. US GAAP emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing an asset or liability. US GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable input be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability, developed based on market data obtained from sources independent of the Fund. Unobservable inputs are inputs that reflect the Fund's assumptions about the assumptions market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances. The hierarchy is measured in the three levels based on reliability of inputs:

> *Level 1* – Valuations based on quoted pricing in active markets for identical assets or liabilities that the Fund has the ability to access. Valuation adjustment and block discounts are not applicable to Level 1 investments.

3. Fair Value Measurements (continued)

Level 2 – Valuations based on quoted prices in less active, dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical or comparable assets or liabilities.

Level 3 – Valuations derived from other valuation methodologies, including pricing models, discounted cash flow models and similar techniques and not based on market, exchange, dealer or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections that are not observable in the market and require significant judgment in determining the fair value assigned to such assets and liabilities.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which an entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The General Partner has established a formal valuation policy that addresses the valuation of the Fund’s investments. A Valuation Committee was formed to oversee the valuation process and ensures all procedures are being implemented in accordance with the Fund’s policy. The General Partner periodically reviews the composition of the Valuation Committee to ensure the appropriate assignment of members. As part of the valuation process, the Valuation Committee obtains input from investment professionals and non-investment professionals for consideration in carrying out its responsibilities. Prior to finalizing all values, the Valuation Committee reviews all the inputs and ending fair market values for the Fund’s investments. The Fund’s investments are valued externally by an independent, qualified professional at least once every 36 months. Senior management, the asset management team and the accounting team review the valuations quarterly.

The following table summarizes the Fund’s investments that were accounted for at fair value by each Level within the fair value hierarchy of ASC 820-10, *Fair Value Measurement* (“ASC 820-10”):

Investment Type	**Level 1**	**Level 2**	**Level 3**	**Total**
		(in millions)		
Real Estate	$ -	$ -	$ 208.7	$ 208.7
Derivatives	-	-	-	-
Total	**$ -**	**$ -**	**$ 208.7**	**$ 208.7**

3. Fair Value Measurements (continued)

Real Estate

The fair value of the Fund's real estate investments are valued using Level 3 inputs and are often based upon discounting the expected cash flows from the investment or a multiple of earnings. Debt investments are held at amortized cost. The Valuation Committee also considers recent sales as well as offers on investments that it deems likely to close in the near future. In reaching its determination of fair value, the Valuation Committee considers many observable and unobservable inputs including, but not limited to, the operating cash flows and financial performance of the properties relative to budgets or projections, property types and geographic locations, the physical condition of the asset, prevailing market capitalization rates, prevailing market discount rates, general economic conditions, economic conditions specific to the market in which the assets are located, prevailing interest rate environment, the prevailing state of the debt markets, available pricing data on comparable properties in the specific market in which the asset is located, expected exit timing and strategy and any specific rights or terms associated with the investment. Because

of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the values that would be determined by negotiations held between parties in a sale transaction.

For the nine months ended September 30, 2021 the Fund invested approximately $6.9 million in investments in real estate.

The fair value of Level 3 investments is determined by discounting the General Partner's expected stream of future cash flows utilizing prevailing market discount rates.

The significant unobservable inputs used in the fair value measurement of the Fund's real estate investments are discount rates, exit capitalization rates, price per key, and price per square foot. Significant increases (decreases) in the discount rates and exit capitalization rates in isolation could result in a significantly lower (higher) fair value measurement. Significant increases (decreases) in the price per key and price per square foot in isolation could result in a significantly higher (lower) fair value measurement.

4. Investments

The detail of the Fund's investment holdings are presented on the accompanying Schedule of Investments, and include the Ownership Interest, Cost Basis and Estimated Fair Value as of September 30, 2021. For the nine months ended September 30, 2021, the Fund provided approximately $6.9 million in support to its investments which it was not previously contractually committed to provide. The Fund generally provides support to its investments to fund purchases and working capital.

The Ownership Interest represents the Fund's capital commitment that is governed by the respective joint venture operating agreement (the "Agreement"). The Agreement may also stipulate a separate profit percentage after the capital and predetermined preferred return are distributed back to the respective members.

The Cost Basis represents the Fund's initial purchase price plus related closing expenses and working capital. The Estimated Fair Value represents the current estimated market value of the respective investment.

Significant investment activity for the nine months ended September 30, 2021 is as follows:

One Flatbush Avenue

In March 2021, the Fund assigned its interest in 570 Fulton to three joint venture members in order to fully redeem the joint venture members' preferred investment. The assignment resulted in a realized loss of $9.3 million.

143 Fulton Street

In April 2021, the Fund tendered a deed-in-lieu to the lender for its interest in 143 Fulton Street. The tender resulted in a realized loss of $29.0 million.

119-121 Spring Street

In September 2021, the Fund tendered a deed-in-lieu to the lender for its interest in 119-121 Spring Street. The tender resulted in a realized loss of $38.3 million.

4. Investments (continued)

57 Willoughby Street

In September 2021, the Fund refinanced the loan on 57 Willoughby with a new $67.9 million loan with a term of 36 months and an interest rate equal to LIBOR plus 4.25%.

5. Derivatives

From time to time, the Fund uses derivatives to manage its exposure to movements in foreign exchange rates. The Fund is exposed to potential credit loss in the event of nonperformance by a counterparty. As of September 30, 2021, the Fund does not have any open derivative instruments.

6. Partners' Capital

As of September 30, 2021, the Partners contributed all of the committed capital to the Fund, totaling $376,611,109 and the Fund has made cumulative distributions of $112,500,000 to the Partners. As of September 30, 2021, this amount is subject to recall by the Fund for Partnership Expenses or to provide support for existing investments. As such, the Fund has $112,500,000 of Unfunded Capital Commitments.

7. Related Party Transactions

Under the terms of the Partnership Agreement, an affiliate of the General Partner is entitled to receive an annual Investment Management Fee, payable quarterly in advance, based on a range of 1.25% – 1.5% of the total amount of Capital Commitments of all Partners on the last day of the preceding Fiscal Quarter during the Commitment Period. Subsequent to the end of the Commitment Period, the Investment Management Fee is based on a range of 1.25% – 1.5% of the Fund's Actively Invested Capital. For the nine months ended September 30, 2021, the total Investment Management Fee incurred was $1,779,884.

Due to affiliates are amounts reimbursable by the Fund to certain affiliated entities for costs incurred on its behalf.

8. Subsequent Events

The Fund evaluates events that occur after the period end date through the date the financial statements are available to be issued. Management has evaluated subsequent events through November 30, 2021, the date the financial statements are available to be issued.