MEADOW REAL ESTATE FUND II 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 II LP ("Meadow Fund II") 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 II; (iii) a detailed description of each closed Investment; and (iv) the September 30, 2021 unaudited financial statements.

As of September 30, 2021, Meadow Partners has completed sixteen investments for Meadow Fund II which are described in further detail in the Asset Management Summaries section of the enclosed report. Meadow Fund II is fully committed and has made capital calls totaling $294.9 million which represents 100% of total capital commitments. To date, thirteen Investments have been realized in Meadow Fund II with a combined gross IRR of 31.6% and a 2.0x multiple on $300.9 million of invested equity. To date, Fund II has distributed a total of $457.0 million to investors.

Please feel free to contact us with any questions or comments. We are pleased to have you as a partner and thank you for your continued support.

Sincerely,

Meadow Partners

Meadow Partners

Meadow Real Estate Fund II LP

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Investor Capital Account Schedule
January 1, 2021 through September 30, 2021

Treasurer of the State of North Carolina		9/30/2021
Investment: 20.34%		
Summary of Change in Net Asset Value:	**Meadow Real Estate Fund II LP**	**Treasurer of the State of North Carolina**
Beginning Net Asset Value - January 1, 2021	**$22,237,552.00**	**$4,475,656.65**
Capital Distributions	$0.00	$0.00
Capital Balance after Distributions	**$22,237,552.00**	**$4,475,656.65**
Net Investment Loss:		
Gross Investment Loss	($21,461.00)	($4,365.70)
Fees	($125,437.00)	($22,103.37)
Unrealized Gains/(Losses)	($1,303,102.00)	($265,083.08)
Accrued Carried Interest	$0.00	$29,166.52
Realized Gains/(Losses)	(556.00)	($113.10)
Total Decrease in Partners' Capital from Net Investment Loss	($1,450,556.00)	($262,498.73)
Ending Net Asset Value - September 30, 2021	**$20,786,996.00**	**$4,213,157.92**
Summary of Capital Contributions Since Inception:		
Capital Commitments	$294,949,495.00	$60,000,000.00
Net Capital Contributions to Date	$294,949,495.00	$60,000,000.00
Recallable Capital	$15,000,000.00	$3,051,369.86
Remaining Capital Commitment as of September 30, 2021	**$15,000,000.00**	**$3,051,369.86**
Summary of Distributions Since Inception:		
Preferred Return	($74,384,591.36)	($15,131,659.99)
Return of Capital	($294,949,495.00)	($60,000,000.00)
Promote	($87,665,913.64)	($14,536,901.62)
Total Distributions as of September 30, 2021	**($457,000,000.00)**	**($89,668,561.61)**

Meadow Real Estate Fund II 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						
866 United Nations Plaza	28.4	68.6	0.0	68.6	31.6%	2.5x
130 West 42nd Street	26.7	50.0	0.0	50.0	52.0%	1.9x
110 Green Street	25.5	43.9	0.0	43.9	29.2%	1.7x
211 East 43rd Street	25.3	39.6	0.0	39.6	21.7%	1.6x
Glengall Bridge West	18.9	36.7	0.0	36.7	42.6%	2.2x
Spallis	22.6	43.4	0.0	43.4	58.4%	2.2x
Crescent Plaza	21.5	35.3	0.0	35.3	18.4%	1.6x
260-268 Elizabeth Street	14.4	30.7	0.0	30.7	38.1%	2.1x
Hadley Residential - Bayswater	11.6	22.7	0.0	22.7	70.6%	2.0x
East Thames Plaza	11.3	25.1	0.0	25.1	20.3%	2.3x
Aldgate Hotel	9.7	23.6	0.0	23.6	30.1%	2.7x
Rocket Lofts	19.4	23.5	0.0	23.5	3.7%	1.2x
Mill Hill Plaza	35.9	56.3	0.0	56.3	12.5%	1.8x
Partially Realized						
Crescent Plaza - Phase II	8.2	8.6	3.9	12.5	0.0%	0.7x
Unrealized						
Hadley Residential - Dulwich	14.5	0.0	17.8	17.8	6.9%	1.6x
The Renwick Hotel	24.6	0.0	0.0	0.0	NM	NM
Total	**$318.5**	**$508.0**	**$21.7**	**$529.7**		

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 II LP
Quarterly Change in Estimated Fair Market Value
As of September 30, 2021

($ in millions)

Transaction	Ownership Interest	Fund II Current Equity	Fund II Stabilized Equity	Prior Quarter Estimated Fair Market Value	Current Quarter Estimated Fair Market Value	Estimated Fair Market Value Change $
Partially Realized						
Crescent Plaza - Phase II	100.0%	6.5	8.2	6.2	3.7	(2.5)
Unrealized						
Hadley Residential - Dulwich	71.9%	13.5	14.5	17.5	17.3	(0.2)
The Renwick Hotel	96.5%	25.3	24.6	0.0	0.0	0.0
Total		**$45.3**	**$47.3**	**$23.7**	**$21.0**	**($2.7)**

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

($ in millions)

		Current					Stabilized				
Transaction	Ownership Interest	Fund II Equity	Total Equity	Third Party Debt	Total Capitalization	Meadow Total Capitalization	Fund II Equity	Total Equity	Third Party Debt	Total Capitalization	Meadow Total Capitalization
Crescent Plaza - Phase II	100.0%	6.5	6.5	6.7	13.2	13.2	8.2	8.2	15.0	23.2	23.2
Hadley Residential - Dulwich	71.9%	13.5	18.8	0.0	18.8	13.5	14.5	20.2	0.0	20.2	14.5
The Renwick Hotel	96.5%	25.3	26.2	63.9	90.1	87.0	24.6	25.5	46.3	71.8	69.3
Total		**$45.3**	**$51.5**	**$70.6**	**$122.1**	**$113.7**	**$47.3**	**$53.9**	**$61.3**	**$115.2**	**$107.0**

Summary of Investments

($ in millions)

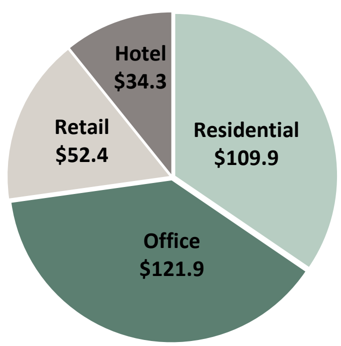
Investment	Acquisition Date	Location	Property Type	Stabilized Fund II Equity	Total Capitalization
Crescent Plaza - Phase II	Feb-14	New York City	Residential	8.2	23.2
Hadley Residential - Dulwich	Feb-14	London	Residential	14.5	20.2
The Renwick Hotel	Feb-14	New York City	Hotel	24.6	71.8
Total				**$47.3**	**$115.2**

Portfolio Capitalization Summary

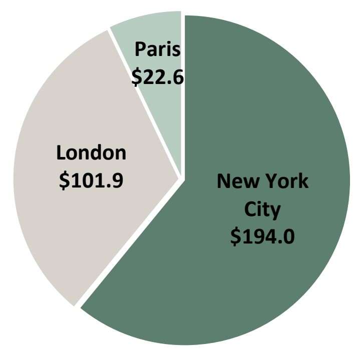
	Current	Stabilized
Meadow Fund II Equity	$45.3	$47.3
Total Equity	$51.5	$53.9
Third Party Debt	$70.6	$61.3
Total Capitalization	**$122.1**	**$115.2**

Portfolio Composition

Stabilized Fund II Equity by Property Type (1)



Stabilized Fund II 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)	3	**Fund NAV:**	20,786,996
Total Fund Equity Invested:	$45.3		
Average Equity / Investment:	$15.1		
Portfolio LTV:	76.5%	**Contributions:**	$294,949,495
Average Debt Interest Rate:	10.1%	**Capital Distributions:**	294,949,495
Average Loan Term:	3 Years	**Remaining Equity**	-
		Income Distributions:	162,050,505
		Current Cash Basis:	**($162,050,505)**
		IRR Gross:	19.3%
		IRR Net:	15.7%

(1) Excludes realized investments

Summary of Investments (continued)

Capital Activity

	Quarter-to-Date	Year-to-Date	Since Inception [2]
Contributions	$0	$0	$294,949,495
Distributions			
Preferred Return	$0	$0	$74,384,591
Return of Capital	$0	$0	$294,949,495
Promote	$0	$0	$87,665,914

Time-Weighted Historical Performance Returns[1]

Gross of Fees (%)	Current Quarter	Year-to-Date	Three Year	Since Inception [2]
Income	-0.03%	-0.11%	-0.64%	0.13%
Appreciation	-13.12%	-6.91%	-18.05%	0.36%
Total [3]	-13.15%	-7.01%	-18.61%	0.36%

Net of Fees (%)[4]	Current Quarter	Year-to-Date	Three Year	Since Inception [2]
Income	-0.24%	-0.73%	-1.58%	-1.81%
Appreciation	-11.33%	-5.79%	-14.75%	0.40%
Total [3]	-11.57%	-6.50%	-16.16%	-1.86%

Performance Multiples

Paid-in-Capital Multiple

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

Realization Multiple

$$\frac{\text{Distributions Since Inception}}{\text{Aggregate Capital Received to Date}} = 1.55$$

Investment Multiple

$$\frac{\text{Distributions Since Inception + NAV}}{\text{Aggregate Capital Received to Date}} = 1.62$$

Residual Multiple

$$\frac{\text{NAV}}{\text{Aggregate Capital Received to Date}} = 0.07$$

(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.

Crescent Plaza – Phase II | New York City

INVESTMENT SUMMARY

Property Type:	Residential
Acquisition Date:	February 2014
Fund II Ownership:	100%
Investment Type:	Equity - Direct
Property Size:	48 Units
Anticipated Delivery:	Completed
Projected Hold Period:	7 years
Stabilized Basis:	$795 per square foot
Projected Exit Price:	$1,163 per square foot
Lender:	Sterling Bank
Loan to Cost:	65%
Debt Terms:	L+225; 2+1 years

CAPITALIZATION SUMMARY

	Current ($MM)	Stabilized ($MM)
Fund Equity:	$6.5	$8.2
Total Equity:	$6.5	$8.2
Third Party Debt:	$6.7	$15.0
Total Capitalization:	$13.2	$23.2

PERFORMANCE SUMMARY

Projected Gross IRR:	0.0%	Contributions:	$16.2
Projected Gross Multiple:	0.7x	Capital Distributions:	$(9.7)
Fair Market Value:	$3,720,754	Remaining Equity:	$6.5
		Income Distributions:	$(0.1)
		Current Cash Basis:	$6.4

Crescent Plaza – Phase II | New York City

TRANSACTION SUMMARY

Off-market acquisition of a 99-year leasehold interest in an existing warehouse for the as-of-right development of a 48-unit, 13-story multi-family apartment building

Meadow acquired the Property directly (with no operating partner)

Located in Long Island City's Queensboro Plaza submarket directly across the East River from Midtown

Adjacent to 2 subway stations and the entrance to the 59th Street Bridge; only one subway stop to Midtown on the N,Q or R trains

Property was owned by a wood-working tradesman with no other real estate holdings who was frustrated with its ongoing management and leasing

Meadow approached the owner with the concept of converting his position into a passive fee interest in an institutional quality multi-family building

Leasehold interest was acquired for no upfront purchase price

INVESTMENT THESIS / BUSINESS PLAN

Queensboro Plaza has quickly become a premier outer-borough residential neighborhood due to New York City's continuing efforts to support its gentrification and redevelopment as well as the short commute to Midtown

Residents enjoy the benefits of Manhattan at a substantially lower cost and a generally higher quality rental product

Excellent submarket knowledge as the Property is directly across the street from Fund II's Crescent Plaza investment

Business plan at acquisition was to develop "Phase II" at an extremely attractive all-in basis of $795 per square foot for 100% free market units, representing a discount to ground-up replacement cost, comparable condominium values and recent apartment building sales

Basis equates to $416,000 per unit and a yield on cost of 6.9%

Property also has an as-of-right 421-A real estate tax abatement, which will provide significant reductions in real estate taxes for 15 years

PERFORMANCE UPDATE

Approval of the Offering Plan occurred in Q2 2019, which triggered the lender to release $5.3 million of equity (61% of stabilized equity), significantly de-risking the Investment

The property has experienced higher than average foot traffic due to smaller units and a more affordable price point; but buyers are extremely price-sensitive in this submarket, which has led to lower conversion rate (6%) than expected

Closed on the sale of 33 units totaling $19.4 million of proceeds

With condo plan declared effective and loan milestones achieved, focus on maximizing profit on final ~25% of unit sales

Hadley Residential - Dulwich | London

INVESTMENT SUMMARY

Property Type:	Residential
Acquisition Date:	February 2014
Fund II Ownership:	71.9%
Investment Type:	Equity – Dedicated Platform
Property Size:	4.25 acres
Projected Hold Period:	6 years
All-in Basis:	£565 per square foot
Projected Exit Price:	£815 per square foot
Lender:	n/a
Loan to Cost:	n/a
Debt Terms:	n/a

CAPITALIZATION SUMMARY

	Current ($MM)	Stabilized ($MM)
Fund Equity:	$13.5	$14.5
Total Equity:	$18.8	$20.2
Third Party Debt:	$0.0	$0.0
Total Capitalization:	$18.8	$20.2

PERFORMANCE SUMMARY

Projected Gross IRR:	6.9%	Contributions:	$13.5
Projected Gross Multiple:	1.6x	Capital Distributions:	$(0.0)
Fair Market Value:	$17,268,822	Remaining Equity:	$13.5
		Income Distributions:	$(0.0)
		Current Cash Basis:	$13.5

Hadley Residential - Dulwich | London

TRANSACTION SUMMARY

Acquisition of a prime 4.25 acre site in Dulwich, a high quality infill neighborhood in south London

At acquisition, majority of the property occupied by a football club and used as a stadium with a large car park

Property was owned by an overleveraged property company (PropCo) which was in administration and undergoing a receivership sale process

An affiliated operating company (OpCo) operates the football club

The owner of the defaulted loan secured by PropCo was a prominent U.K. real estate family

Meadow convinced the family to instigate the receivership sale process, through which we acquired PropCo

Family will co-invest 25% of the required equity on a non-promoted basis

INVESTMENT THESIS / BUSINESS PLAN

Attractive purchase price of £6.4 million following acquisition through receivership process

Infill location; only 12-minute commute to the City

Ideal for redevelopment into high density housing

Through ownership of PropCo and significant control over OpCo, initial plan was to relocate the football club to a different portion of the site and gain planning approval for a high-density housing scheme on the remainder of the property

PERFORMANCE UPDATE

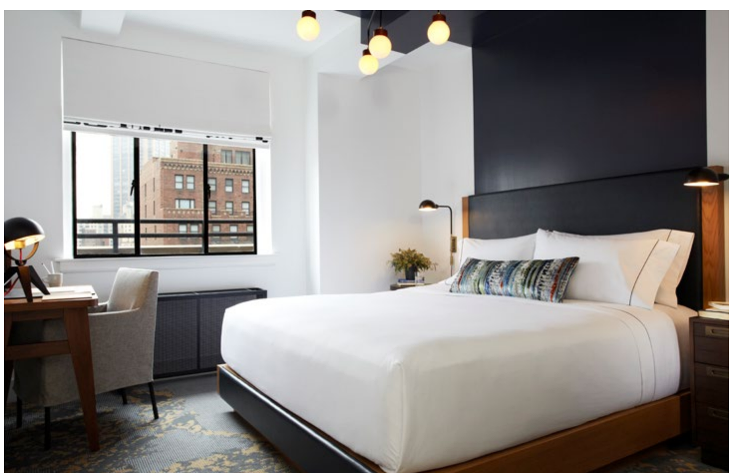
Original planning application was not determined by the Council (as opposed to being granted or refused)

Subsequently pursued a new, larger development on the site which includes 219 housing units (versus 154 in the old plan), a new stadium complex to be given to the local government (instead of given to OpCo) and 35%+ affordable housing

Meadow successfully obtained planning permission for its proposed development in July 2020

Launched sale process in Q4 2021

The Renwick Hotel | New York City



INVESTMENT SUMMARY

Property Type:	Hotel
Acquisition Date:	February 2014
Fund II Ownership:	96.5%
Investment Type:	Equity – Direct
Property Size:	173 Keys
Projected Hold Period:	6 years
Lender:	Heitman Credit Acquisition XV
Loan to Cost:	73%
Debt Terms:	L+320; 3+1+1 years

CAPITALIZATION SUMMARY

	Current ($MM)	Stabilized ($MM)
Fund Equity:	$25.3	$24.6
Total Equity:	$26.2	$25.5
Third Party Debt:	$63.9	$46.3
Total Capitalization:	$90.1	$71.8

PERFORMANCE SUMMARY

Projected Gross IRR:	NM	Contributions:	$28.0
Projected Gross Multiple:	NM	Capital Distributions:	$(2.7)
Fair Market Value:	$0	Remaining Equity:	$25.3
		Income Distributions:	$(0.0)
		Current Cash Basis:	$25.3

The Renwick Hotel | New York City

TRANSACTION SUMMARY

Off-market acquisition of the leasehold interest in a well-located 135-key boutique hotel in midtown Manhattan (173 keys post-renovation)

Property was acquired directly (with no operating partner) and unencumbered by brand and management

Property was owned via a ground lease structure for several decades, with the relationship between the fee owners and the leasehold tenant deteriorating near the end of the prior lease term

Fee owners were a group of families not otherwise involved in the real estate industry and the prior leasehold tenant was a non-institutional local high net worth individual

Previous tenant under the ground lease was unwilling to invest the necessary capital to make the hotel code-compliant

Located on East 40th Street between Park and Lexington Avenues, the hotel is within walking distance of a high concentration of Fortune 500 companies and is only two blocks away from Grand Central Terminal

INVESTMENT THESIS / BUSINESS PLAN

Meadow Partners negotiated a new, 99-year institutional ground lease by committing to renovate and upgrade the hotel to modern standards

Fully stabilized post-renovation basis of $400,000 per key, including the creation of an additional 38 keys (total of 173 keys post-renovation) that had already been identified and designed

Attractive basis for an unencumbered, newly renovated boutique hotel compares favorably to recent sales over $500,000 per key

Hotel has a high percentage of large rooms and suites

Business plan at acquisition was to upgrade the mechanical systems and extensively renovate guest rooms and common areas over a 12-month period when the hotel was closed

In addition to upgrading building systems, elevators and HVAC, all rooms were fully renovated with new hard and soft goods, and the lobby and common areas were completely rebuilt with a new lobby lounge and food and beverage concept

After renovation, the hotel provides amenities and services consistent with other four-star boutique hotels in the area including a fitness center and expanded food and beverage options

PERFORMANCE UPDATE

Due to the on-going COVID-19 crisis, The Renwick 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 have opted to fully write off our remaining investment and are working with our lender to transition ownership

UNAUDITED FINANCIAL STATEMENTS

Nine Months Ended September 30, 2021

Unaudited Financial Statements

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

Meadow Real Estate Fund II LP

Financial Statements

Nine Months Ended September 30, 2021
(Unaudited)

Contents

Meadow Real Estate Fund II LP

Statement of Assets, Liabilities and Partners' Capital

September 30, 2021
(Unaudited)

Assets		
Investments in real estate, at fair value (at cost: $45,326,049)	$	20,989,576
Cash and cash equivalents		32,425
Other assets		16,211
Total assets	$	21,038,212
Liabilities and partners' capital		
Liabilities:		
Accounts payable and accrued expenses	$	56,659
Accrued management fee		83,624
Due to affiliates		69,885
Other liabilities		41,048
Total liabilities		251,216
Partners' capital:		
General Partner		3,008,642
Limited Partners		17,778,354
Total partners' capital		20,786,996
Total liabilities and partners' capital	$	21,038,212

See accompanying notes.

Meadow Real Estate Fund II LP

Schedule of Investments

September 30, 2021
(Unaudited)

Investments	Acquisition Date	Location	Asset Type	Percent Ownership	Cost Basis	Estimated Fair Value
Crescent Plaza - Phase II	2/19/2014	Long Island City, NY	Residential Apartments	100.0%	$ 6,462,654	$ 3,720,754
The Renwick Hotel	2/7/2014	New York, NY	Hotel	96.5	25,329,305	-
Total USA investments					31,791,959	3,720,754
Hadley Residential - Dulwich	2/6/2014	London, UK	Residential Apartments	71.9	13,534,090	17,268,822
Total UK investments					13,534,090	17,268,822
Total investments					$ 45,326,049	$ 20,989,576

See accompanying notes.

Meadow Real Estate Fund II LP

Statement of Operations

For the Nine Months Ended September 30, 2021
(Unaudited)

	Quarter to Date	Year to Date
Revenues:		
Interest income	$ -	$ -
Total revenues	-	-
Expenses:		
Investment management fee	41,813	125,437
General and administrative	6,921	21,461
Total expenses	48,734	146,898
Net investment loss	(48,734)	(146,898)
Realized loss on real estate investments, including foreign currency exchange	-	(556)
Net change in unrealized depreciation on real estate investments, including foreign currency exchange	(2,682,247)	(1,303,102)
Total realized loss and unrealized depreciation	(2,682,247)	(1,303,658)
Net decrease in partners' capital resulting from operations	$ (2,730,981)	$ (1,450,556)

See accompanying notes.

Meadow Real Estate Fund II LP

Statement of Changes in Partners' Capital

For the Nine Months Ended September 30, 2021
(Unaudited)

	General Partner	Limited Partners	Total
Partners' capital, December 31, 2020	$ 3,214,011	$ 19,023,541	$ 22,237,552
Net decrease in partners' capital resulting from operations	(205,369)	(1,245,187)	(1,450,556)
Partners' capital, September 30, 2021	$ 3,008,642	$ 17,778,354	$ 20,786,996

See accompanying notes.

Meadow Real Estate Fund II LP

Statement of Cash Flows

For the Nine Months Ended September 30, 2021
(Unaudited)

	Quarter to Date	Year to Date
Operating activities		
Net decrease in partners' capital resulting from operations	$ (2,730,981)	$ (1,450,556)
Adjustments to reconcile net decrease in partners' capital resulting from operations to net cash (used in)/ provided by operating activities:		
Realized loss on real estate investments, including foreign currency exchange	-	556
Net change in unrealized depreciation on real estate investments, including foreign currency exchange	2,682,247	1,303,102
Purchase of real estate investments	8,832	(359,929)
(Increase)/decrease in other assets	1,733	(1,451)
Decrease in accounts payable and accrued expenses	-	(282)
Increase in accrued management fee	41,812	83,624
Increase/(decrease) in due to affiliates	(13,519)	69,885
Increase in other liabilities	41,048	41,048
Net cash (used in)/provided by operating activities	31,172	(314,003)
Net change in cash and cash equivalents	31,172	(314,003)
Cash and cash equivalents, beginning of period	1,253	346,428
Cash and cash equivalents, end of period	$ 32,425	$ 32,425

See accompanying notes.

1. Organization

Meadow Real Estate Fund II 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 July 11, 2012 and was amended and restated on July 20, 2012 and October 18, 2013. The General Partner of the Fund is Meadow Real Estate Fund II 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.

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 Funds initial term expired on July 19, 2021. During 2021, the General Partner extended the term of the Fund for a one-year period that will end on July 19, 2022, as defined by the Partnership Agreement.

Contributions

Total Capital Commitments of the Fund are $294,949,495.

The Fund's Commitment Period ended on July 19, 2015.

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 in proportion to, and until each Participating Partner has received cumulative distributions in an amount sufficient to provide each Partner with a 10% return, compounded annually, on their Funded Commitment ("Preferred Return");

b. Second, 100% to each Participating Partner until the Participating Partner has received aggregate distributions equal to their total Funded Commitment;

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) Preferred Return and (y) distributions to Participating Partners and the General Partner pursuant to section c.;

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

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.

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.

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.

2. Summary of Significant Accounting Policies (continued)

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.

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

2. Summary of Significant Accounting Policies (continued)

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 U.K. Investments may include hotels, office buildings, multifamily properties, 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.

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 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. As of September 30, 2021, the Fund does not have any open derivative instruments.

2. Summary of Significant Accounting Policies (continued)

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 a reporting period. The portion of unrealized appreciation or depreciation resulting from changes in foreign exchange rates on investments in real estate is recorded on a periodic basis as a component of net change in unrealized appreciation/(depreciation) on real estate investments, including foreign currency exchange in the accompanying Statement of Operations.

Revenue Recognition

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

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") 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 recognizing 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 inputs 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.

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 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

3. Fair Value Measurements (continued)

its responsibilities. Prior to finalizing all values, the Valuation Committee reviews all of 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 Measurements* ("ASC 820-10"):

Investment Type	**Level 1**	**Level 2** *(in millions)*	**Level 3**	**Total**
Real Estate	$ -	$ -	$ 21.0	$ 21.0
Derivatives	-	-	-	-
Total	**$ -**	**$ -**	**$ 21.0**	**$ 21.0**

All other assets and liabilities, which qualify as financial instruments are carried at cost, since these are the amounts at which the assets are expected to be realized and the liabilities are expected to be settled.

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. 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 the 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, the 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.

3. Fair Value Measurements (continued)

For the nine months ended September 30, 2021, the Fund invested $359,929 into investments in real estate.

The fair value of the Level 3 investments relates to investments where the fair value 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 and price per square foot. Significant increases (decreases) in the discount rates in isolation could result in a significantly lower (higher) fair value measurement. Significant increases (decreases) in the 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. During the nine months ended September 30, 2021, the Fund made additional investments of $359,929 of working capital to its existing investments to which it was not previously contractually committed to provide. The Fund generally provides support to its investments for 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.

5. Partners' Capital

As of September 30, 2021, the Partners contributed all of the committed capital to the Fund, totaling $294,949,495 and the Fund has made cumulative distributions of $457,000,000 to the Partners. As of September 30, 2021, included in cumulative distributions is $15,000,000 which is subject to recall by the Fund for Partnership Expenses or to provide support for existing investments. As such, the Fund has $15,000,000 of Unfunded Capital Commitments.

As of September 30, 2021, included in cumulative distributions is $21,696,455 of promote to the General Partner.

6. 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% – 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% – 1.5% of the Fund's Actively Invested Capital. For the nine months ended September 30, 2021, the total Investment Management Fee incurred was $125,437 of which $83,624 remains payable as of September 30, 2021.

7. 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 and determined that there are no significant events that require disclosure.